



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2002
OF THE CONDITION AND AFFAIRS OF THE
John Deere Health Plan, Inc.

NAIC Group Code	0219 <small>(Current Period)</small>	0219 <small>(Prior Period)</small>	NAIC Company Code	95378	Employer's ID Number	36-3379945
Organized under the Laws of	Illinois			State of Domicile or Port of Entry	Illinois	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Dental Service Corporation []	
	Vision Service Corporation []		Other []		Health Maintenance Organization [X]	
	Hospital, Medical & Dental Service or Indemnity []				Is HMO, Federally Qualified? Yes [] No [X]	
Incorporated	08/05/1985		Commenced Business		07/01/1985	
Statutory Home Office	1300 River Drive <small>(Street and Number)</small>			,	Moline, IL 61265 <small>(City or Town, State and Zip Code)</small>	
Main Administrative Office	1300 River Drive <small>(Street and Number)</small>					
	Moline, IL 61265 <small>(City or Town, State and Zip Code)</small>			309-765-1200 <small>(Area Code) (Telephone Number)</small>		
Mail Address	1300 River Drive <small>(Street and Number or P.O. Box)</small>			,	Moline, IL 61265 <small>(City or Town, State and Zip Code)</small>	
Primary Location of Books and Records	1300 River Drive <small>(Street and Number)</small>			309-765-1221 <small>(Area Code) (Telephone Number)</small>		
	Moline, IL 61265 <small>(City or Town, State and Zip Code)</small>					
Internet Website Address	JohnDeereHealth.com					
Statement Contact	Joan G. Mincer <small>(Name)</small>			309-765-1221 <small>(Area Code) (Telephone Number) (Extension)</small>		
	MincerJoanG@JohnDeere.com <small>(E-mail Address)</small>			309-748-1146 <small>(FAX Number)</small>		
Policyowner Relations Contact	1300 River Drive <small>(Street and Number)</small>			309-765-1200 <small>(Area Code) (Telephone Number) (Extension)</small>		
	Moline, IL 61265 <small>(City or Town, State and Zip Code)</small>					

OFFICERS

President	Richard Lowell Bartsh M.D.	Treasurer	James Alan Cousins #
Secretary	Victoria Jane Graves		

VICE PRESIDENTS

Charles Phillip Parsons	David Wayne Anderson	Bruce Chase Steffens M.D.
-------------------------	----------------------	---------------------------

DIRECTORS OR TRUSTEES

James Alan Cousins #	Charles Phillip Parsons	Richard Lowell Bartsh M.D.
James Edward Hecker	William Kenneth Appelgate	John Willard Golden M.D.
Cathie Sue Whiteside	Bruce Chase Steffens M.D.	Victoria Kauzlarich
Jon Alan Chapman	Charlotte Hershberger Koenig M.D.	

State of Illinois }
County of Rock Island } ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Richard Lowell Bartsh M.D. President	James Alan Cousins Treasurer	Victoria Jane Graves Secretary
---	---------------------------------	-----------------------------------

Subscribed and sworn to before me this	a. Is this an original filing?	Yes [X] No []
21 day of February, 2003	b. If no	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

Mary Ann Vickers
Executive Administrative Assistant
09/27/2003

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds	126,163,076		126,163,076	136,575,085
2. Stocks:				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	2,648,019		2,648,019	10,104,524
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			(a) 0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$0 , Schedule E - Part 1) and short-term investments (\$37,477,083 , Schedule DA - Part 2)	37,477,083	513,213	36,963,870	27,915,579
6. Other long-term invested assets	0		0	0
7. Receivable for securities			0	0
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotals, cash and invested assets (Lines 1 to 8)	166,288,178	513,213	165,774,965	174,595,188
10. Accident and health premiums due and unpaid	8,326,947	2,045,274	6,281,673	5,440,851
11. Health care receivables	193,632	192,301	1,331	288,467
12. Amounts recoverable from reinsurers			0	40,218
13. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
14. Investment income due and accrued	1,486,928		1,486,928	1,773,679
15. Amounts due from parent, subsidiaries and affiliates			0	0
16. Amounts receivable relating to uninsured accident and health plans			0	0
17. Furniture and equipment			0	0
18. Amounts due from agents			0	0
19. Federal and foreign income tax recoverable and interest thereon (including \$1,468,211 net deferred tax asset)	1,468,211	1,468,211	0	0
20. Electronic data processing equipment and software			0	0
21. Other nonadmitted assets			0	0
22. Aggregate write-ins for other than invested assets	11,554,483	280,007	11,274,476	6,239,072
23. Total assets (Lines 9 plus 10 through 22)	189,318,379	4,499,006	184,819,373	188,377,476
DETAILS OF WRITE-INS				
0801.				
0802.				
0803.				
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898)(Line 8 above)	0	0	0	0
2201. Other Accounts Receivable.....	11,315,175	40,699	11,274,476	6,239,072
2202. State Income Tax Receivable.....	239,308	239,308	0	0
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298)(Line 22 above)	11,554,483	280,007	11,274,476	6,239,072

(a) \$ health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	75,610,777	6,814,500	82,425,277	90,243,713
2. Accrued medical incentive pool and bonus payments	3,088,875		3,088,875	5,637,109
3. Unpaid claims adjustment expenses			0	0
4. Aggregate policy reserves			0	0
5. Aggregate claim reserves			0	0
6. Premiums received in advance	14,943,580		14,943,580	9,642,850
7. General expenses due or accrued	3,840,382		3,840,382	4,419,591
8. Federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses)) (including \$0 net deferred tax liability)	571,421		571,421	3,869,381
9. Amounts withheld or retained for the account of others			0	0
10. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
11. Amounts due to parent, subsidiaries and affiliates	273,522		273,522	0
12. Payable for securities			0	0
13. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
14. Reinsurance in unauthorized companies			0	0
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
16. Liability for amounts held under uninsured accident and health plans			0	0
17. Aggregate write-ins for other liabilities (including \$0 current)	126,433	0	126,433	271,322
18 Total liabilities (Lines 1 to 17).....	98,454,990	6,814,500	105,269,490	114,083,966
19. Common capital stock	XXX	XXX	611,000	611,000
20 Preferred capital stock	XXX	XXX		0
21. Gross paid in and contributed surplus	XXX	XXX	22,440,000	22,440,000
22. Surplus notes	XXX	XXX		0
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	1,500,000	1,500,000
24. Unassigned funds (surplus)	XXX	XXX	54,998,883	49,742,510
25. Less treasury stock, at cost:				
25.1 .....shares common (value included in Line 19 \$)	XXX	XXX		0
25.2 .....shares preferred (value included in Line 20 \$)	XXX	XXX		0
26. Total capital and surplus (Lines 19 to 24 Less 25)	XXX	XXX	79,549,883	74,293,510
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	184,819,373	188,377,476
DETAILS OF WRITE-INS				
1701. Payables From Cost Contracts.....	123,224		123,224	161,488
1702. Payable to CMS.....	3,209		3,209	0
1703. State Income Taxes Payable.....			0	109,834
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	126,433	0	126,433	271,322
2301. Reserve and Restricted Funds.....	XXX	XXX	1,500,000	1,500,000
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	1,500,000	1,500,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	2,846,461	3,126,928
2. Net premium income	XXX	586,120,667	572,097,276
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	277,576	145,283
7. Total revenues (Lines 2 to 6)	XXX	586,398,243	572,242,559
Medical and Hospital:			
8. Hospital/medical benefits	38,347,614	428,137,137	478,474,353
9. Other professional services	368,964	13,927,421	14,996,977
10. Outside referrals			0
11. Emergency room and out-of-area	1,023,685	16,318,107	15,436,107
12. Prescription Drugs		66,294,757	
13. Aggregate write-ins for other medical and hospital	0	0	0
14. Incentive pool and withhold adjustments		(18,332,431)	(14,735,465)
15. Subtotal (Lines 8 to 14)	39,740,263	506,344,991	494,171,972
Less:			
16. Net reinsurance recoveries		211,076	1,790,904
17. Total medical and hospital (Lines 15 minus 16)	39,740,263	506,133,915	492,381,068
18. Claims adjustment expenses		13,827,360	12,042,335
19. General administrative expenses.....		65,236,359	65,858,059
20. Increase in reserves for accident and health contracts			0
21. Total underwriting deductions (Lines 17 through 20)	39,740,263	585,197,634	570,281,462
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	1,200,609	1,961,097
23. Net investment income earned		8,805,294	8,609,126
24. Net realized capital gains or (losses)		141,187	530,249
25. Net investment gains or (losses) (Lines 23 + 24)	0	8,946,481	9,139,375
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
27. Aggregate write-ins for other income or expenses	0	(12,344)	(2,545)
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	10,134,746	11,097,927
29. Federal and foreign income taxes incurred	XXX	3,639,148	3,179,065
30. Net income (loss) (Lines 28 minus 29)	XXX	6,495,598	7,918,862
DETAILS OF WRITE-INS			
0601. Contractual Recoveries.....	XXX		213,547
0602. Audit Recoveries.....	XXX	277,576	(68,264)
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	277,576	145,283
1301.			
1302.			
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0
2701. Massachusetts Uncompensated Care Surcharge.....		(334)	(2,421)
2702. Other Income (Loss).....		(12,010)	(124)
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	(12,344)	(2,545)

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES

	2002		2001
	CURRENT PERIOD	YEAR TO DATE TOTAL	TOTAL
MEMBER MONTHS	247,924	979,865	723,624
REVENUES:			
1. TennCare Capitation	50,550,704	171,358,490	\$110,855,719
2. Adverse Selection	0	0	86,660
3. Total TennCare Revenue (Lines 1 and 2)	50,550,704	171,358,490	110,942,379
4. Investment	43,984	1,101,699	0
5. Other Revenue (Provide detail)	0	0	(183,453)
6. TOTAL REVENUES (Lines 3 to 5)	50,594,689	172,460,190	110,758,926
EXPENSES:			
Medical and Hospital Services:			
7. Capitated Physician Services	0	0	0
8. Fee-for Service Physician Services	13,031,772	44,340,255	30,558,745
9. Inpatient Hospital Services	11,870,310	41,637,382	24,037,964
10. Outpatient Services	4,967,781	18,647,535	14,017,564
11. Emergency Room Services	2,800,005	9,911,314	7,857,831
12. Mental Health Services	0	0	0
13. Dental Services	55,722	2,004,655	1,931,153
14. Vision Services	153,244	547,624	376,575
15. Pharmacy Services	12,299,595	39,399,646	21,587,783
16. Home Health Services	278,359	2,441,328	1,773,565
17. Chiropractic Services	0	0	0
18. Radiology Services	218,627	2,356,719	1,893,016
19. Laboratory Services	321,508	3,505,677	2,662,440
20. Durable Medical Equipment Services	443,555	812,987	990,925
21. Transportation Services	413,505	1,645,672	1,059,286
22. Outside Referrals	0	0	0
23. Medical Incentive Pool and Withhold Adjustments	1,708,445	(3,514,259)	(3,714,771)
24. Occupancy, Depreciation, and Amortization	0	0	0
25. Other Medical and Hospital Services (Provide Detail)	(1,734,995)	(8,110,184)	(6,150,453)
26. Subtotal (Lines 7 to 25)	46,827,434	155,626,352	98,881,623
LESS:			
27. Net Reinsurance Recoveries Incurred	(51,366)	112,711	0
28. Copayments	0	0	0
29. Subrogation and Coordination of Benefits	0	0	0
30. Subtotal (Lines 27 to 29)	(51,366)	112,711	0
31 TOTAL MEDICAL AND HOSPITAL (Lines 26 minus line 30)	46,878,800	155,513,641	98,881,623
Administration:			
32. Compensation	2,318,716	11,375,092	8,896,033
33. Marketing	51,107	424,891	516,794
34. Interest Expense	0	0	0
35. Premium Tax Expense	1,011,894	3,429,039	2,218,848
36. Occupancy, Depreciation and Amortization	334,172	1,927,927	1,313,625
37. Other Administration (Provide detail)	0	0	0
38. TOTAL ADMINISTRATION (Lines 32 to 37)	3,715,889	17,156,949	12,945,300
39. TOTAL EXPENSES (Lines 31 and 38)	50,594,688	172,670,589	111,826,923
40. Extraordinary Item			
41. Provision for Income Tax	0	(73,640)	(373,799)
39. NET INCOME (LOSS) (Line 6 less Lines 39, 40, and 41)	\$0	(\$136,759)	(\$694,198)
Write-ins:			
REVENUES:			
Line 5 Contractual Recoveries	0	0	213,547
Line 5 Deferral of Revenue for Administration fee Risk	0	0	(397,000)
EXPENSES:			
Line 25 Reinsurance Expense	0	57,875	52,092
Line 25 Nurseline	12,530	48,986	36,527
Line 25 Risk Sharing (Option #2) New Risk Arrangement	(1,747,525)	(7,575,506)	(2,901,234)
Line 25 Risk Sharing during Exigency	0	(641,540)	(3,337,838)

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
31. Capital and surplus prior reporting year	74,293,510	70,038,663
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
32. Net income or (loss) from Line 30	6,495,598	7,918,862
33. Change in valuation basis of aggregate policy and claim reserve		0
34. Net unrealized capital gains and losses	(716,707)	(784,759)
35. Change in net unrealized foreign exchange capital gain or (loss)		0
36. Change in net deferred income tax		0
37. Change in nonadmitted assets	224,329	(2,574,575)
38. Change in unauthorized reinsurance	0	0
39. Change in treasury stock		0
40. Change in surplus notes	0	0
41. Cumulative effect of changes in accounting principles		(155,000)
42. Capital Changes:		
42.1 Paid in		0
42.2 Transferred from surplus (Stock Dividend)		0
42.3 Transferred to surplus		0
43. Surplus adjustments:		
43.1 Paid in		0
43.2 Transferred to capital (Stock Dividend)		0
43.3 Transferred from capital		0
44. Dividends to stockholders		0
45. Aggregate write-ins for gains or (losses) in surplus	(746,847)	(149,681)
46. Net change in capital & surplus (Lines 32 to 45)	5,256,373	4,254,847
47. Capital and surplus end of reporting year (Line 31 plus 46)	79,549,883	74,293,510
DETAILS OF WRITE-INS		
4501. Change in Non-Admitted assets Affecting Net Income.....	(2,092,385)	1,123,896
4502. Change in Accrual affecting Net Income.....	1,858,751	(1,273,577)
4503. Change in GAAP vs Statutory Value of Short Term Investments.....	(513,213)	0
4598. Summary of remaining write-ins for Line 45 from overflow page	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	(746,847)	(149,681)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums and revenues collected net of reinsurance	590,092,142	574,476,279
2. Claims and claims adjustment expenses	534,083,573	479,217,782
3. General administrative expenses paid	65,815,568	65,120,490
4. Other underwriting income (expenses)	277,580	142,739
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(9,529,419)	30,280,746
6. Net investment income	9,068,198	8,645,134
7. Other income (expenses)	(12,344)	0
8. Federal and foreign income taxes (paid) recovered	(6,937,108)	526,047
9. Net cash from operations (Lines 5 to 8)	(7,410,673)	39,451,927
Cash from Investments		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds	40,936,830	29,023,470
10.2 Stocks	6,977,899	4,424,912
10.3 Mortgage loans	0	0
10.4 Real estate	0	0
10.5 Other invested assets	0	0
10.6 Net gains or (losses) on cash and short-term investments	0	0
10.7 Miscellaneous proceeds	0	0
10.8 Total investment proceeds (Lines 10.1 to 10.7)	47,914,729	33,448,382
11. Cost of investments acquired (long-term only):		
11.1 Bonds	30,842,623	58,646,403
11.2 Stocks	0	4,939,004
11.3 Mortgage loans	0	0
11.4 Real estate	0	0
11.5 Other invested assets	0	0
11.6 Miscellaneous applications	0	0
11.7 Total investments acquired (Lines 11.1 to 11.6)	30,842,623	63,585,407
12. Net Cash from investments (Line 10.8 minus Line 11.7)	17,072,106	(30,137,025)
Cash from Financing and Miscellaneous Sources		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in	0	0
13.2 Net transfers from affiliates	1,860,595	0
13.3 Borrowed funds received	0	0
13.4 Other cash provided	0	0
13.5 Total (Lines 13.1 to 13.4)	1,860,595	0
14. Cash applied:		
14.1 Dividends to stockholders paid	0	0
14.2 Net transfers to affiliates	0	7,002,380
14.3 Borrowed funds repaid	0	0
14.4 Other applications	2,473,737	6,799,335
14.5 Total (Lines 14.1 to 14.4)	2,473,737	13,801,715
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(613,142)	(13,801,715)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	9,048,291	(4,486,813)
17. Cash and short-term investments:		
17.1 Beginning of year	27,915,579	32,402,392
17.2 End of year (Line 16 plus Line 17.1)	36,963,870	27,915,579

7

7

7

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (medical and hospital)	334,044,341		542,086	333,502,255
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan Premiums	6,670,144		5,022	6,665,122
6. Title XVIII - Medicare	103,139,956		72,353	103,067,603
7. Title XIX - Medicaid.....	127,844,503		207,584	127,636,919
8. Other	15,258,168		9,400	15,248,768
9. Totals	586,957,112	0	836,445	586,120,667

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct	532,495,859	302,540,954				7,320,214	92,099,826	130,534,865	
1.2 Reinsurance assumed .....	.0								
1.3 Reinsurance ceded	251,294							251,294	
1.4 Net	532,244,565	302,540,954	.0	.0	.0	7,320,214	92,099,826	130,283,571	.0
2. Paid medical incentive pools and bonuses	(15,784,195)	(6,797,966)					297,070	(9,283,299)	
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct	82,425,276	49,829,066	.0	.0	.0	1,204,000	16,471,309	14,920,901	.0
3.3 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	82,425,276	49,829,066	.0	.0	.0	1,204,000	16,471,309	14,920,901	.0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct .....	.0								
4.2 Reinsurance assumed .....	.0								
4.3 Reinsurance ceded .....	.0								
4.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	3,088,875	2,050,796					740,000	298,079	
6. Amounts recoverable from reinsurers December 31, current year .....	.0								
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct	90,243,713	39,167,086	.0	.0	.0	947,000	16,470,209	33,659,418	.0
7.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.4 Net	90,243,713	39,167,086	.0	.0	.0	947,000	16,470,209	33,659,418	.0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Accrued medical incentive pools and bonuses, prior year	5,637,111	3,244,696					611,000	1,781,415	
10. Amounts recoverable from reinsurers December 31, prior year	40,218							40,218	
11. Incurred Benefits:									
11.1 Direct	524,677,422	313,202,934	.0	.0	.0	7,577,214	92,100,926	111,796,348	.0
11.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
11.3 Reinsurance ceded	211,076	0	0	0	0	0	0	211,076	0
11.4 Net	524,466,346	313,202,934	0	0	0	7,577,214	92,100,926	111,585,272	0
12. Incurred medical incentive pools and bonuses	(18,332,431)	(7,991,866)	0	0	0	0	426,070	(10,766,635)	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Reported in Process of Adjustment:									
1.1. Direct .....	.0								
1.2. Reinsurance assumed .....	.0								
1.3. Reinsurance ceded .....	.0								
1.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:									
2.1. Direct	62,989,898	41,175,094				996,000	10,737,251	10,081,553	
2.2. Reinsurance assumed .....	.0								
2.3. Reinsurance ceded .....	.0								
2.4. Net	62,989,898	41,175,094	.0	.0	.0	996,000	10,737,251	10,081,553	.0
3. Amounts Withheld from Paid Claims and Capitations:									
3.1. Direct	19,435,378	8,653,972				208,000	5,734,058	4,839,348	
3.2. Reinsurance assumed .....	.0								
3.3. Reinsurance ceded .....	.0								
3.4. Net	19,435,378	8,653,972	.0	.0	.0	208,000	5,734,058	4,839,348	.0
4. TOTALS:									
4.1. Direct	82,425,276	49,829,066	.0	.0	.0	1,204,000	16,471,309	14,920,901	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4. Net	82,425,276	49,829,066	0	0	0	1,204,000	16,471,309	14,920,901	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (medical and hospital)	41,870,863	260,670,090	(733,005)	50,562,070	41,137,858	39,167,085
2. Medicare Supplement .....					.0	.0
3. Dental Only.....					.0	.0
4. Vision Only.....					.0	.0
5. Federal Employees Health Benefits Plan Premiums	1,012,609	6,307,606	(18,000)	1,222,000	994,609	947,000
6. Title XVIII - Medicare	10,381,124	81,718,702	247,279	16,224,030	10,628,403	16,470,209
7. Title XIX - Medicaid.....	29,940,538	100,383,251	1,831,488	13,089,412	31,772,026	33,659,417
8. Other .....					.0	.0
9. Subtotal	83,205,134	449,079,649	1,327,762	81,097,512	84,532,896	90,243,711
10. Medical incentive pools, accruals and disbursements	5,735,309	(21,519,504)	226	3,088,649	5,735,535	5,637,111
11. Totals	88,940,443	427,560,145	1,327,988	84,186,161	90,268,431	95,880,822

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

Section A - Paid Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	325	0	0	0	
2. 1998	1,480	326	0	0	
3. 1999	XXX	1,914	615	0	
4. 2000	XXX	XXX	4,013	605	
5. 2001	XXX	XXX	XXX	3,909	1,013
6. 2002	XXX	XXX	XXX	XXX	6,308

Section B - Incurred Claims- Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	325	325	325	325	325
2. 1998	2,089	1,807	1,807	1,807	1,807
3. 1999	XXX	2,583	2,529	2,529	2,529
4. 2000	XXX	XXX	4,706	4,618	4,618
5. 2001	XXX	XXX	XXX	4,933	4,903
6. 2002	XXX	XXX	XXX	XXX	7,530

Section C – Incurred Year Claims and Claims Adjustment Expense Ratio – Federal Employees Health Benefits Plan Premium

[illegible]

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

Section A - Paid Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	7,469	1,491	0	0	
2. 1998	73,439	6,249	146	0	
3. 1999	XXX	52,966	12,897	72	
4. 2000	XXX	XXX	65,430	13,690	295
5. 2001	XXX	XXX	XXX	85,198	29,941
6. 2002	XXX	XXX	XXX	XXX	100,383

Section B - Incurred Claims- Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	7,469	8,960	8,960	8,960	8,960
2. 1998	80,865	79,688	79,833	79,833	79,833
3. 1999	XXX	64,826	65,863	65,935	65,935
4. 2000	XXX	XXX	80,560	81,154	81,414
5. 2001	XXX	XXX	XXX	120,605	116,970
6. 2002	XXX	XXX	XXX	XXX	113,771

Section C – Incurred Year Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

[illegible]

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

Section A - Paid Claims- Grand Total

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	38,835	1,491	0	0	0
2. 1998	268,117	45,811	155	0	0
3. 1999	XXX	298,097	50,074	105	0
4. 2000	XXX	XXX	306,279	52,447	224
5. 2001	XXX	XXX	XXX	333,552	83,205
6. 2002	XXX	XXX	XXX	XXX	449,080

Section B - Incurred Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior	38,835	40,326	40,326	40,326	40,326
2. 1998	348,911	313,928	314,082	314,082	314,082
3. 1999	XXX	357,774	348,172	348,276	348,276
4. 2000	XXX	XXX	365,828	360,775	360,950
5. 2001	XXX	XXX	XXX	429,384	418,085
6. 2002	XXX	XXX	XXX	XXX	533,266

Section C – Incurred Year Claims and Claims Adjustment Expense Ratio – Grand Total

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)									
5. Aggregate write-ins for other policy reserves									
6. Totals (Gross)									
7. Reinsurance ceded									
8. Totals (Net)(Page 3, Line 4)									
CLAIM RESERVE									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (Gross)									
13. Reinsurance ceded									
14. Totals (Net)(Page 3, Line 5)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administration Expenses	3 Investment Expenses	4 Total
1. Rent (\$ for occupancy of own building).....	96,230	2,719,540		2,815,770
2. Salaries, wages and other benefits.....	6,607,392	30,045,539	19,312	36,672,243
3. Commissions (less \$ ceded plus \$ assumed).....		12,269,153		12,269,153
4. Legal fees and expenses.....	(400)	191,128		190,728
5. Certifications and accreditation fees.....	50	201,806		201,856
6. Auditing, actuarial and other consulting services.....		219,500		219,500
7. Traveling expenses.....	15,830	745,016		760,846
8. Marketing and advertising.....	25	1,726,553		1,726,578
9. Postage, express and telephone.....	1,725,711	822,415		2,548,126
10. Printing and office supplies.....	778,118	1,295,098		2,073,216
11. Occupancy, depreciation and amortization.....	7,101	1,201,161		1,208,262
12. Equipment.....	4,280	12,443		16,723
13. Cost or depreciation of EDP equipment and software.....		145,887		145,887
14. Outsourced services including EDP, claims, and other services.....	4,434,801	4,960,873	4,950	9,400,624
15. Boards, bureaus and association fees.....	40	115,676		115,716
16. Insurance, except on real estate.....		414,093		414,093
17. Collection and bank service charges.....		251,984	129	252,113
18. Group service and administration fees.....	15,966	491,070		507,036
19. Reimbursements by uninsured accident and health plans.....		(5,649,507)		(5,649,507)
20. Reimbursements from fiscal intermediaries.....		4,187,024		4,187,024
21. Real estate expenses.....				0
22. Real estate taxes.....		61,780		61,780
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....				0
23.2 State premium taxes.....		6,778,960		6,778,960
23.3 Regulatory authority licenses and fees.....		(2,235)		(2,235)
23.4 Payroll taxes.....				0
23.5 Other (excluding federal income and real estate taxes).....		516,401		516,401
24. Investment expenses not included elsewhere.....				0
25. Aggregate write-ins for expenses.....	142,216	1,515,001	0	1,657,217
26. Total expenses incurred (Lines 1 to 25).....	13,827,360	65,236,359	24,391	(a) 79,088,110
27. Add expenses unpaid December 31, prior year.....		4,419,591		4,419,591
28. Less expenses unpaid December 31, current year.....		3,840,382		3,840,382
29. Amounts receivable related to uninsured accident and health plans, prior year.....				0
30. Amounts receivable related to uninsured accident and health plans, current year.....				0
31. Total expenses paid (Lines 26 + 27 - 28 - 29 + 30)	13,827,360	65,815,568	24,391	79,667,319
DETAIL OF WRITE-INS				
2501. Maintenance Expense.....	18,812	1,180,847		1,199,659
2502. Minor Equipment.....	278	65,182		65,460
2503. Supplies Expense.....	97,288	277,906		375,194
2598. Summary of remaining write-ins for Line 25 from overflow page.....	25,838	(8,934)	0	16,904
2599. Totals (Line 2501 thru 2503 plus 2598)(Line 25 above)	142,216	1,515,001	0	1,657,217

(a) Includes management fees of \$76,383,469 to affiliates and \$0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....1,669,520	.....1,676,278
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....7,063,342	.....6,773,063
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....124,431	.....121,201
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans.....	.....	.....
6.	Cash/short-term investments	(e) .....259,143	.....259,143
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	9,116,436	8,829,685
11.	Investment expenses		(g) .....24,391
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total (Lines 11 through 15) .....		.....24,391
17.	Net Investment Income - (Line 10 minus Line 16)		8,805,294
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

(a) Includes \$441,651 accrual of discount less \$271,981 amortization of premium and less \$182,273 paid for accrued interest on purchases.
(b) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued dividends on purchases.
(c) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(d) Includes \$for company's occupancy of its own buildings; and excludes \$interest on encumbrances.
(e) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(f) Includes \$accrual of discount less \$amortization of premium.
(g) Includes \$investment expenses and \$investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$interest on surplus notes and \$interest on capital notes.
(i) Includes \$depreciation on real estate and \$depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	Total
1.	U.S. Government bonds .....	.....79,275				.....79,275
1.1	Bonds exempt from U.S. tax .....					.....0
1.2	Other bonds (unaffiliated) .....	.....406,620	.....(968,729)			.....(562,109)
1.3	Bonds of affiliates .....					.....0
2.1	Preferred stocks (unaffiliated) .....					.....0
2.11	Preferred stocks of affiliates .....					.....0
2.2	Common stocks (unaffiliated) .....	.....624,022		.....(716,708)		.....(92,686)
2.21	Common stocks of affiliates .....					.....0
3.	Mortgage loans .....					.....0
4.	Real estate .....					.....0
5.	Contract loans .....					.....0
6.	Cash/Short-term investments .....					.....0
7.	Derivative instruments .....					.....0
8.	Other invested assets .....					.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	1,109,917	(968,729)	(716,708)	0	(575,520)
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 10 to 13 and 15 to 20, Column 2	3,705,785	4,169,423	463,638
2. Other Non-Admitted Assets:			
2.1 Bills receivable.....		0	0
2.2 Leasehold improvements.....		0	0
2.3 Cash advanced to or in hands of officers and agents.....		0	0
2.4 Loans on personal security, endorsed or not.....			0
2.5 Commuted commissions.....			0
3. Total (Lines 2.1 to 2.5)	0	0	0
4. Aggregate write-ins for other assets.....	280,007	40,699	(239,308)
5. Total (Line 1 plus Lines 3 and Line 4)	3,985,793	4,210,122	224,330
0401. State Income Tax Receivable.....	239,308	0	(239,308)
0402. Other Accounts Receivable.....	40,699	40,699	0
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	280,007	40,699	(239,308)

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	190,396	190,251	201,310	114,315	115,672	1,837,088
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	85,396	82,347	82,930	85,317	90,912	1,009,373
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	275,792	272,598	284,240	199,632	206,584	2,846,461
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT 4 - HEALTH CARE RECEIVABLES

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT 5 - CLAIMS PAYABLE (Reported and Unreported)

[illegible]

EXHIBIT 9 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1	2	3	4	5	6
	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment	NONE					
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total						

NOTES TO FINANCIAL STATEMENTS

NOTES TO THE ANNUAL STATEMENT DECEMBER 31, 2002

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

John Deere Health Plan, Inc. (the "Plan") is a wholly-owned subsidiary of John Deere Health Care, Inc. ("JDHC"), a wholly-owned subsidiary of Deere & Company. Effective June 30, 1999, the Plan changed its name from Heritage National Healthplan, Inc. to John Deere Health Plan, Inc. The plan was incorporated on August 5, 1985 as a Health Maintenance Organization ("HMO"). Operations commenced in July 1986. The Plan was certified as an HMO by the Department of Insurance of the State of Illinois in 1985, by the Iowa Department of Commerce-Division of Insurance in 1986, by the State of Tennessee Department of Commerce and Insurance, the Commonwealth of Virginia Bureau of Insurance, and by the South Carolina Department of Insurance in 1996. As of January 1, 2000, the Plan discontinued operations in the state of South Carolina. The Plan has contracted with physician associations ("Associations"), hospitals and other health care provider organizations to deliver health care services for all enrollees.

Effective December 30, 1999, John Deere Family Healthplan, Inc. ("JDFH"), a wholly-owned subsidiary of JDHC, was merged into the Plan to form a single corporation. Under the merger, the Plan assumed all of JDFH's assets and liabilities. At the request of the Department of Insurance of the State of Illinois, the merger has been applied retroactively in the financial statements to provide comparability of results. Intercompany activity between the Plan and JDFH has been eliminated. The merged entity will hereafter be referred to as the Plan.

The Plan was designated as a Competitive Medical Plan provider by the Centers for Medicare & Medicaid Services, Department of Health and Human Services ("CMS"), formerly Health Care Financing Administration ("HCFA"), in October 1987. On January 1, 1991, the Plan was designated as a Health Care Prepayment Plan ("HCPP"). On January 1, 1999, the Plan was again designated as a Competitive Medical Plan. Under both contracts with CMS, the Plan has elected to be reimbursed for providing health care to Medicare qualified HMO enrollees on a reasonable cost basis. This method of reimbursement allows the Plan to recover from CMS reasonable health care costs of providing basic Title XVIII Medicare benefits to Medicare enrollees. Supplemental benefits available to Medicare qualified HMO enrollees are provided in return for a supplemental premium collected from employer groups or Medicare eligible individuals.

On June 23, 1997, the Plan was awarded a Medicare Risk contract for twenty county service areas in Tennessee and Virginia. On January 1, 1999, the Plan converted to a Medicare +Choice contract as required by the Balanced Budget Act of 1997. Under the contract, CMS makes a single monthly capitation payment to the Plan for each of its enrollees. The Plan provides for services through an organized delivery system of contracted physicians, hospitals, and ancillary providers. See additional discussions at Note 18.

The Plan participates as a managed care organization under the TennCare program. TennCare is a project authorized through a conditional waiver by CMS that replaced the State of Tennessee's Medicaid program on January 1, 1994. Uninsured individuals and Medicaid eligible individuals who enroll in the TennCare program receive prepaid health care through participating MCO's.

During 2000, the Plan notified the State of Tennessee of its intention to withdraw from the TennCare program as of December 31, 2000. The State of Tennessee exercised its right to keep the Plan in the program under exigency, limiting the risk of financial loss, through June 30, 2001. During this time, the Plan worked with the State of Tennessee to develop a new risk arrangement mitigating the risk of financial loss under the program. Effective July 1, 2001, the Plan began participating in the TennCare program under an arrangement that mitigates the risk of financial loss. The contract is effective through December 31, 2003. The Plan received \$111,155,926 in premium revenue from TennCare in 2001 and \$73,440,027 for the first six months of 2002.

Effective July 1, 2002, the State of Tennessee amended its TennCare contract with John Deere Health Plan, Inc. (the "Plan") for an eighteen month stabilization period. From July 1, 2002 through December 31, 2003 under this agreement, the TennCare program operates under an Administration Services Only arrangement. The Plan received \$5,649,507 in administrative service revenue in 2002 under this arrangement, which is recognized as a reduction of general administrative expenses. Total membership at December 31, 2002 under the Administrative Services Only arrangement is 78,300. See additional discussions at Note 18.

The Plan also participates in the Iowa Medicaid program providing services through an organized delivery system of contracted physicians, hospitals, and ancillary providers. See additional discussions at Note 18.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Recently, federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues. Management believes that the Plan is in substantial compliance with current laws and regulations.

Significant Accounting Policies

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Illinois ("Statutory basis"). Effective January 1, 2001, the Insurance Department of the

NOTES TO FINANCIAL STATEMENTS

State of Illinois required that insurance companies domiciled in the State of Illinois prepare their financial statements in accordance with the NAIC Accounting Practices and Procedures Manual (the “Manual” or “SSAP”), which differ in certain respects from accounting principles generally accepted in the United States of America (“GAAP”). Major differences between GAAP and statutory basis practices include the reporting of investments in accordance with the Statement of Financial Accounting Standards No. 115 under GAAP and assets that are non-admitted for statutory purposes. See Note 2 for additional discussion on impact of change in accounting principles.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts subject to change in the near term include claims unpaid, provider risk sharing arrangements, and accruals for loss contracts.

Claims unpaid reflect management’s best current estimate of the cost of ultimate resolution of those claims incurred but not reported and/or paid as of the balance sheet date. However, additional facts and circumstances may develop which would affect the precision of the estimate of costs. Those facts and circumstances include, among other things, the ultimate extent and cost of the resolving those claims, the resulting impact on risk sharing arrangements, and the amount of insurance recoveries. See Note 25 for additional discussion on claims unpaid .

Investments

Investments are carried at values prescribed by NAIC. Short-term investments are carried at cost or amortized cost. Bonds, including collateralized mortgage obligations and other structured securities, are carried at amortized cost using the scientific amortization method. Common stocks are carried at the NAIC market value. Loan back securities are carried at amortized cost using a retrospective adjustment method.

Effective August 2001, the Plan began fully investing all available cash on a daily basis in short-term investments. Short-term admitted investment balances at December 31, 2002 and 2001 were \$36,963,870 and \$27,915,579, respectively. A single short-term investment security at December 31, 2002 exceeded the authorized investment threshold, resulting in a non-admitted asset of \$513,213 at December 31, 2002. There was no such item at December 31, 2001.

At December 31, 2002 and 2001, long-term investments are summarized as follows:

	2002	2001
Long-term investments:		
Corporate Debt Securities	\$ 51,727,514	\$ 60,775,977
U.S. Government Agency and Debt Securities	74,435,562	75,799,108
Equity Securities	<u>2,648,019</u>	<u>10,104,524</u>
	<u>\$128,811,095</u>	<u>\$146,679,609</u>

NAIC market values for long-term investments with a fixed term and rate under NAIC guidelines as of December 31, 2002 and 2001 were \$128,818,239 and \$138,850,623, respectively.

At December 31, 2002 and 2001, certain long-term investments were held on deposit with trustees as required by Illinois, Tennessee, Iowa, South Carolina and Virginia insurance regulations.

Aggregate Write-Ins

Certain amounts are required under statutory basis practices to be reported as aggregate write-ins. Included in the following captions are:

- *For other than invested assets – Receivable from the State of Tennessee for the TennCare program and state income taxes receivable/payable.
- *For other liabilities – Payables for cost contracts.
- * For other health care related revenues— Contractual recoveries and Audit recoveries.
- * For other income or expenses—Out of area conversion costs.

Revenues

Premium revenues are earned ratably over the terms of the contracts. Premiums billed and collected in advance are recorded as premiums received in advance.

Medical and Hospital Costs

Medical and Hospital costs are accrued as services are rendered and include estimates for incurred but not reported claims.

Loss Contracts

Premium contracts are analyzed and losses recognized when it is probable that expected future health care and maintenance costs will exceed premiums.

NOTES TO FINANCIAL STATEMENTS

Reclassifications

Certain 2001 amounts have been reclassified to conform with 2002 presentation.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

The Plan adopted accounting principles in accordance with the Manual effective January 1, 2001. The accounting changes adopted to conform to the provisions of the Manual are reported as changes in accounting principles. The cumulative effect of the changes in accounting principles has been reported as an adjustment of unassigned surplus at January 1, 2001. The cumulative effect is the difference between the amount of capital and surplus at January 1, 2001, and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. The adoption of the new accounting principles in the Manual has the effect of reducing unassigned surplus at January 1, 2001 by \$155,000.

3. BUSINESS COMBINATIONS

None.

4. DISCONTINUED OPERATIONS

None.

5. INVESTMENTS

Mortgage Loans—Not applicable.

Debt Restructuring-- Not applicable.

Reverse Mortgages—Not applicable.

Loan-Backed Securities

Loan backed securities are carried at an amortized cost basis. As of December 31, 2002, the Plan owned eight loan back securities that were purchased prior to January 1, 1994 with an amortized value of \$1,559,693 and \$3,062,740 as of December 31, 2002 and 2001, respectively. Prepayment assumptions on loan backed securities are sourced from the Bloomberg twelve-month PSA field. The Plan uses the Bondege pricing service as the market value source.

Repurchase Agreements—Not applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

None.

7. INVESTMENT INCOME

The Plan had no non-admitted investment income due and accrued at December 31, 2002 and 2001.

8. DERIVATIVE INSTRUMENTS

None.

9. INCOME TAXES

Deere & Company and certain subsidiaries, including the Plan, file a consolidated federal income tax return. Deere & Company has a tax allocation agreement, which provides that each subsidiary of the consolidated group pay a current tax liability to, or receive a tax refund from, Deere & Company, computed as if the subsidiary had filed a separate return at the statutory rates. Amounts provided for Federal income tax expense was \$3,639,148 and \$3,179,065 for the years ended December 31, 2002 and 2001, respectively. State income tax expense, which is included in "Administrative expenses" was \$128,814 and \$109,834 for the years ended December 31, 2002 and 2001. The effective Federal income tax rate was equal to 35 and 29 percent for the years ended December 31, 2002 and 2001, respectively.

The net deferred tax asset in 2002 and 2001 was \$1,468,211 and \$635,294, respectively, and were considered non-admitted assets in both years for annual statement purposes. The Plan had no net deferred tax liabilities in either 2002 or 2001. Activity for the net deferred tax assets is summarized as follows.

	2002	2001
Beginning Balance at January 1	\$635,294	\$ 138,264
Change in Deferral Due to:		
Unpaid Claims	(44,271)	259,266
Investment Valuations	724,975	422,563
Premiums Received in Advance	(35,000)	(140,000)
Other Allocated Balances	<u>187,213</u>	<u>(44,799)</u>

NOTES TO FINANCIAL STATEMENTS

Ending Balance at December 31	<u>\$1,468,211</u>	<u>\$635,294</u>
-------------------------------	--------------------	------------------

10. RELATED PARTIES

Administrative services, including claims processing, broker fees, marketing, quality assurance, financial, accounting, insurance, legal, and data processing, are provided to the Plan by JDHC based on a percentage of premium for each line of business and are reported as administrative expense. Administrative expenses paid to JDHC by the Plan for the years ended December 31, 2002 and 2001 were \$76,323,607 and \$69,729,426, respectively.

The Plan has two separate \$10,000,000 borrowing agreements available from Deere & Company and JDHC, respectively. The facilities bear interest at one-half percent above the 30-day commercial paper rate. The Plan had no advances under the borrowing agreements during the years ended December 31, 2002 and 2001.

During 2001, the Plan changed its cash management procedures to be more fully invested on a daily basis. Through this change, the Plan no longer maintains a daily balance within its depository bank account. Rather, all available cash was invested in short-term investments. The daily net cash activity continues to flow through the Plan's depository bank account zero-balancing to a Deere & Company account with a daily entry through an affiliated receivable/payable account. The affiliated receivable/payable account is settled by the Plan on a monthly basis.

There was a \$273,522 due to affiliate balance as of December 31, 2002 and no due to affiliate balance as of December 31, 2001. Amounts due to affiliates as of December 31, 2002 represent an amount due to JDHC, arising from the above transactions and centralized cash management activities.

11. DEBT

None.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

None.

13. CAPITAL AND SURPLUS

Capital stock consists of common stock at stated value with no par value and no stated dividend rate. One thousand shares are authorized; ten shares are issued and outstanding. The Plan may make an ordinary dividend payment to its shareholder in an amount not to exceed the greater of ten percent of the Plan's capital and surplus or the Plan's net income for the year. For 2002, ten percent of the Plan's capital and surplus totals \$7,954,988 and net income totals \$6,495,598. The portion of unassigned surplus represented or reduced by the change in unrealized capital gains and losses is \$(716,707) and \$(784,759) as of December 31, 2002 and 2001, respectively, and the change in non-admitted asset values is \$224,329 and \$(2,574,575) as of December 31, 2002 and 2001, respectively.

Under the law of the State of Illinois, the Plan is required to provide a contingency reserve based on 2% of the net capitation revenue from risk contracts limited to \$1,500,000. The Plan's accumulated reserve reached \$1,500,000 during 1989 and such reserve has been recorded as a part of net worth. The Plan is also required to maintain a minimum net worth of \$300,000. The Plan is required to have risk based capital ("RBC") of \$19,863,864 as of December 31, 2002. The actual capital and surplus as of December 31, 2002 was \$79,549,883.

14. COMMITMENTS, CONTINGENCIES AND LITIGATION

Contingent Commitments—Not applicable.

Contingencies—None.

Litigation

A pending lawsuit against the Plan with an amount in dispute of approximately \$4 million goes to trial in May 2003. The State of Iowa sued certain contractors who provided services for the State's Medicaid program over alleged errors which allegedly resulted in overpayments to the Plan. Those contractors filed a cross-petition against the Plan. The claim, in equity, is premised on the theory that the Plan was unjustly enriched by the alleged overpayments from the State resulting from the contractor's error. The Plan believes that it has substantial defenses and intends to defend the claim vigorously. The ultimate outcome of the litigation and its effect on the Plan's financial position or results of operations cannot be determined at this time.

Additionally, in the normal course of business, the Plan, from time to time, may become involved in litigation incidental to the business. The Plan believes that it has substantial defenses and intends to defend such actions vigorously. Although it is not possible to predict the outcome of any unresolved legal matters, the Plan does not believe that such matters will have a material adverse effect on its financial position or results of operations.

NOTES TO FINANCIAL STATEMENTS

15. LEASES

None.

16. OFF-BALANCE SHEET RISK

None.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

None.

18. ASO, ASC, MEDICARE, AND MEDICAID

Administration Services Only (ASO)— Effective July 1, 2002, the State of Tennessee amended its three-year TennCare contract with John Deere Health Plan, Inc. (the “Plan”) for an eighteen month stabilization period. From July 1, 2002 through December 31, 2003 under this agreement, the TennCare program operates under an Administration Services Only arrangement.

TennCare membership under this program was 78,300 as of December 31, 2002. General expenses for the twelve months ended December 31, 2002 were reduced by \$5,649,507 of administrative service revenue earned by the Plan under the ASO arrangement as specified by SSAP 47. Total interest paid to TennCare under the ASO arrangement for 2002 was \$93,441. Net gain or loss from the ASO arrangement was \$0. The claim payment volume under the ASO arrangement totaled \$65,647,543 for 2002.

Administration Service Contracts (ASC)—None.

Medicare

On October 1, 1987, the Plan began operations with the CMS to provide part B Medicare services under a Competitive Medical Plan (“CMP”) cost arrangements. In 1991, the Plan replaced the CMP cost arrangement with a Health Care Prepayment Plan (“HCPP”) arrangement. In 1999, the Plan converted the HCPP arrangement to a CMP cost arrangement. For 1999 and 1998, the Plan paid to JDHC an amount approximating estimated actual costs to process claims and administer the Medicare Program. Revenues are based on a budgeted amount reimbursed monthly by CMS and then adjusted to actual based on a year-end cost report. CMS has the option to audit the cost reports filed by the Plan and thus adjustments to recorded amounts may occur based on these audits. Adjustments have been made to settle all cost reports 1998 and prior.

The Plan was awarded a Medicare Risk contract for a twenty county service area in Tennessee and Virginia in June 1997. In 1999, the Plan converted the Medicare Risk contract to a Medicare + Choice contract as required by the Balanced Budget Act of 1997. Under the contract, CMS makes a single monthly capitation payment to the Plan for each of its enrollees. The Plan provides services through an organized delivery system of contracted physicians, hospitals, and ancillary providers. On December 1, 2001, CMS approved the Plan’s application to expand its Medicare + Choice service area adding 6 counties in Tennessee and 3 counties in Virginia to the existing service area.

Medicare premium revenue recognized for the years ended December 31, 2002 and 2001, was \$118,398,124 and \$92,692,274, respectively.

Medicaid

TennCare

The Plan participates as a managed care organization (“MCO”) in the TennCare program. TennCare is a project authorized through a conditional waiver by CMS that replaced the State of Tennessee’s Medicaid program on January 1, 1994. Uninsured individuals and Medicaid eligible individuals who enroll in the TennCare program receive prepaid health care through participating MCO’s. The Plan received \$73,440,027 and \$111,155,926 in premium revenue from TennCare in 2002 and 2001, respectively.

Under the TennCare program, MCO’s receive a special supplemental payment for each person identified as having High Cost Chronic Conditions (“HCCC”). Persons in this population are those with certain diagnoses that involve exceptional medical expenditures. The Department of Finance and Administration, Bureau of TennCare, informs the MCO of enrollees eligible under the HCCC service agreement. The amount of the payment is determined in accordance with a formula developed by the Bureau of TennCare, statistics of all MCO’s in the TennCare program, and the availability of funds under this program. Payments to all MCO’s under this arrangement cannot exceed the annual threshold set by the contract. Due to the inability to estimate the supplemental HCCC payments, this revenue is recorded on a cash basis. The Plan received \$86,660 in supplemental HCCC payments in 2001. No such payments were received in 2002.

During 2000, the Plan notified the State of Tennessee of its intention to withdraw from the TennCare program as of December 31, 2000. The State of Tennessee exercised its right to keep the Plan in the program under exigency, limiting the risk of financial loss, through June 30, 2001. During this time, the Plan worked with the State of Tennessee to develop a new risk arrangement mitigating the risk of financial loss under the program. Effective July 1, 2001, the Plan began participating in the TennCare program under an arrangement that mitigates the risk of financial loss. The contract is effective through December 31, 2003.

NOTES TO FINANCIAL STATEMENTS

Effective July 1, 2002, the State of Tennessee amended its three-year TennCare contract with John Deere Health Plan, Inc. (the “Plan”) for an eighteen month stabilization period. From July 1, 2002 through December 31, 2003 under this agreement, the TennCare program operates under an Administration Services Only arrangement.

Iowa Medicaid

The Plan accepts a capitated premium to provide medical care for Iowa Medicaid eligible enrollees. Revenues received from Iowa Medicaid were \$54,404,476 and \$52,477,512 for 2002 and 2001, respectively.

19. MANAGING GENERAL AGENTS

None.

20. OTHER ITEMS

Extraordinary Items—None.

Troubled Debt Restructuring (Debtors)—None.

21. SUBSEQUENT EVENTS

None.

22. REINSURANCE

Unsecured Reinsurance Recoverables- None.

Reinsurance Recoverable in Dispute- None.

Reinsurance Assumed and Ceded- None.

Uncollectible Reinsurance- None.

Communication of Ceded Reinsurance- None.

Retroactive Reinsurance- None.

Other Disclosures

The Plan carried \$1,000,000 reinsurance coverage in excess of an annual deductible of \$500,000 per person from January 1 through December 31, 2002. The Plan did not carry reinsurance coverage for TennCare enrollees during Exigency from January 1, 2001 through June 30, 2001. The reinsurance coverage for TennCare was reinstated for the period of July 1, 2001 through June 30, 2002 with an annual deductible of \$500,000 per person. For Iowa Medicaid, the Plan carried \$1,000,000 reinsurance coverage in excess of an annual deductible of \$250,000 per person for July 1, 2001 through June 30, 2003. For Medicare Risk enrollees, the Plan’s current policy with Allianz Life carries \$1,000,000 reinsurance coverage in excess of an annual deductible of \$300,000 per person for the period of September 1, 2002 through August 31, 2003. The previous policy with Reliastar for period of September 1, 2001 through August 31, 2002 carried \$1,000,000 reinsurance coverage in excess of an annual deductible of \$200,000 per person. For all other enrollees, the Plan carries \$1,000,000 reinsurance coverage in excess of an annual deductible of \$500,000 per person for calendar 2001 and 2002.

Beginning January 1, 2001, the Plan’s reinsurance contracts were with Munich American Reassurance Company (“Munich”) and Reliastar Life Insurance Company (“Reliastar”) for all enrollees, except Iowa Medicaid enrollees under the age of one. Effective September 1, 2002, the Plan entered a reinsurance contract with Allianz Life for Medicare Risk enrollees, which replaced the Reliastar policy.

Beginning July 1, 2001, Iowa Medicaid enrollees under the age of one were also covered under a reinsurance contract with Munich.

Gross hospital reinsurance expenses, included within premium revenues, for the years ended December 31, 2002 and 2001 were \$836,445 and \$3,081,756 respectively.

Reinsurance recoveries, which are recorded as net reinsurance claims incurred, for the years ended December 31, 2002 and 2001 were \$211,076 and \$1,790,904, respectively. There are no reinsurance receivable and no reinsurance payables as of December 31, 2002 and \$40,218 of reinsurance receivables and no reinsurance payables as of December 31, 2001.

23. RETROSPECTIVELY RATED CONTRACTS

None.

24. SALVAGE AND SUBROGATION

None.

NOTES TO FINANCIAL STATEMENTS

25. CLAIMS UNPAID

Claims unpaid liability is developed using actuarial methods. History of actual claim payments is plotted on a matrix with incurred periods along the X-axis and payment months along the Y-axis. Estimated monthly claim behavior is developed from this data. Enrollment for each month is monitored to determine potential impact on claims incurred. Additional relevant information is evaluated to support unpaid claim liability calculations such as the number of claim opportunity days each month, the number of claim processing days each month, claim processing production statistics, claim volume received statistics, significant claims known, reinsurance, coordinated benefits, subrogation and other recoveries, implementation of new health care cost management programs, and any other information that may arise.

Using the above data, the current period estimate is developed. The expense per member per month is tested against historical trends and additional relevant information. Prior period claims unpaid estimates are evaluated using the lagged claim data. The liability has not been calculated using any special consideration for toxic waste cleanup, asbestos-related illnesses or other environmental remediation exposures. An external actuary also certifies the Plan’s reserves at 31 December each year.

	2002	2001
Claims unpaid	\$ 90,243,713	\$ 60,467,986
Accrued medical incentive pools	5,637,109	10,267,112
Less reinsurance recoverables	<u>(40,218)</u>	<u>(253,785)</u>
Total at January 1	<u>95,840,604</u>	<u>70,481,313</u>
Plus incurred related to:		
Current Year	511,746,307	486,779,444
Prior Years	<u>(5,612,392)</u>	<u>5,601,624</u>
Total Incurred Claims	<u>506,133,915</u>	<u>492,381,068</u>
Less paid claims related to :		
Current Year	427,560,142	401,327,464
Prior Years	<u>88,940,443</u>	<u>65,694,313</u>
Total Paid	<u>516,460,367</u>	<u>467,021,777</u>
Claims unpaid	82,425,277	90,203,495
Accrued medical incentive pools	3,088,875	5,637,109
Less reinsurance recoverables	<u>0</u>	<u>(40,218)</u>
Total at December 31	<u>\$ 85,514,152</u>	<u>\$ 95,840,604</u>

Total incurred claims above include out-of-period adjustments relating to changes in estimates for claims unpaid and provider risk sharing arrangements.

The majority of provider risk sharing arrangements, which includes a risk arrangement for the TennCare program, are accounted for in Claims unpaid on the Statements of Admitted Assets, Liabilities, Capital and Surplus. The remaining components are the Accrued medical incentive pool, Health care receivables, and Aggregate write-ins for other than invested assets. The portion contained in the Health care receivables are non-admitted. The impact of the provider risk sharing arrangements is reflected as Incentive pool and withhold adjustments in the Statements of Revenue and Expenses, and is included in current year incurred claims above.

The liability for Claims unpaid at December 31, 2001 exceeded actual claims paid in 2002 related to prior years by approximately \$5,600,000. This favorable result was reduced by provider risk sharing adjustments relating to years 2001 and prior of approximately \$4,400,000. Such risk sharing adjustments are included in current year incurred claims above.

Actual claims paid in 2001 related to the claims incurred in prior years exceeded the Claims unpaid liability at December 31, 2000 by approximatedly \$5,600,000. The additional expense was partially recovered through provider risk sharing adjustments relating to years 2000 and prior of approximately \$2,100,000.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	21,760,190	13.086	21,760,190	13.126
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies	18,575,544	11.171	18,575,544	11.205
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	331,738	0.199	331,738	0.200
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA	102,133	0.061	102,133	0.062
1.512 Issued by FNMA and FHLMC		0.000		0.000
1.513 Privately issued		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC	35,882,051	21.578	35,882,051	21.645
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC		0.000		0.000
1.523 All other privately issued		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	49,511,420	29.774	49,511,420	29.867
2.2 Unaffiliated foreign securities		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated	2,648,019	1.592	2,648,019	1.597
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)		0.000	0	0.000
6. Policy loans		0.000		0.000
7. Receivables for securities		0.000	0	0.000
8. Cash and short-term investments	37,477,083	22.537	36,963,870	22.298
9. Other invested assets		0.000		0.000
10. Total invested assets	166,288,178	100.000	165,774,965	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] NA []
- 1.3

State Regulating?

Illinois
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

06/30/1998
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

06/30/1998
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/30/1998
- 3.4

By what department or departments? Illinois Department of Insurance
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business?

Yes [] No [X]

4.12 renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business?

Yes [] No [X]

4.22 renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes [] No [X]
- 6.2

If yes, give full information:
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,

7.21 State the percentage of foreign control;

7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
| | |
| | |
- 27

GENERAL INTERROGATORIES
(continued)

8.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche, Chicago, IL.....
9.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Steven N. Wander, Deloitte & Touch, Minneapolis, MN.....
10.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1

What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 10.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?
- 10.3

Have there been any changes made to any of the trust indentures during the year?
- 10.4

If answer to (10.3) is yes, has the domiciliary or entry state approved the changes?
- Yes []

No []

Yes []

No []

Yes []

No []

NA []
- BOARD OF DIRECTORS
11.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes [X]

No []

12.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes [X]

No []

13.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person?.

Yes [X]

No []

FINANCIAL

14.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

14.11

To directors or other officers ..

\$0

14.12

To stockholders not officers ...

\$0

14.13

Trustees, supreme or grand (Fraternal only)

\$0

14.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

14.21

To directors or other officers ...

\$0

14.22

To stockholders not officers

\$0

14.23

Trustees, supreme or grand (Fraternal only)

\$0

15.1

Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement?

Yes []

No [X]

15.2

If yes, state the amount thereof at December 31 of the current year:

15.21

Rented from others

\$

15.22

Borrowed from others

\$

15.23

Leased from others

\$

15.24

Other

\$

Disclose in Notes to Financial Statements the nature of each of these obligations.

16.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [X]

No []

16.2

If answer is yes,

16.21

Amount paid as losses or risk adjustment

\$

16.22

Amount paid as expenses

\$1,083,057

16.23

Other amounts paid

\$

28

GENERAL INTERROGATORIES
(continued)
INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?		6 Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred	.....0	.....0			[]	[]	[]	[]
Common	1,000	10	0.000	XXX	XXX	XXX	XXX	XXX

18.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits? Yes [] No [X]

18.2 If no, give full and complete information relating thereto:

Mellon Bank, Pittsburgh, PA

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 2 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21

Loaned to others

\$.....

19.22

Subject to repurchase agreements

\$.....

19.23

Subject to reverse repurchase agreements

\$.....

19.24

Subject to dollar repurchase agreements

\$.....

19.25

Subject to reverse dollar repurchase agreements

\$.....

19.26

Pledged as collateral

\$.....

19.27

Placed under option agreements

\$.....

19.28

Letter stock or other securities restricted as to sale ...

\$.....

19.29

Other

\$.....

19.3 For each category above, if any of these assets are held by others, identify by whom held:

19.31

N/A

19.32

.....

19.33

.....

19.34

.....

19.35

.....

19.36

.....

19.37

.....

19.38

.....

19.39

.....

For categories (19.21) and (19.23) above, and for any other securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

21.2. If yes, state the amount thereof at December 31 of the current year. \$.....

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [] No [X]

22.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
.....
.....

GENERAL INTERROGATORIES
(continued)
INVESTMENT

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Mellon Bank.....	Pittsburgh, PA.....	The custodial agreement will be updated and amended to include a statement regarding notification of termination to state commissioner, reporting on internal controls, and language about adequate insurance coverage....

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year?..... Yes [] No [X]

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A.....

OTHER

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?..... \$.....0

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

24.1 Amount of payments for legal expenses, if any?..... \$.....0

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES
(continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
1.2 If yes, indicate premium earned on U. S. business only \$
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
1.31 Reason for excluding
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ 0
1.6 Individual policies:
Most current three years:
1.61 Total premium earned \$ 0
1.62 Total incurred claims \$ 0
1.63 Number of covered lives \$ 0
All years prior to most current three years:
1.64 Total premium earned \$ 0
1.65 Total incurred claims \$ 0
1.66 Number of covered lives \$ 0
1.7 Group policies:
Most current three years:
1.71 Total premium earned \$ 0
1.72 Total incurred claims \$ 0
1.73 Number of covered lives \$ 0
All years prior to most current three years:
1.74 Total premium earned \$ 0
1.75 Total incurred claims \$ 0
1.76 Number of covered lives \$ 0
2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
2.2 If yes, give particulars:
3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency? Yes [X] No []
3.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [X] No []
4.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
4.2 If no, explain:
4.3 Maximum retained risk (see instructions)
4.31 Comprehensive Medical \$
4.32 Medical Only \$
4.33 Medicare Supplement \$
4.34 Dental \$
4.35 Other Limited Benefit Plan \$
4.36 Other \$ 500,000
5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Subscribers are protected under insolvency arrangements in place between company and reinsurance provisions provided by company's contract with provider networks.
6.1 Does the reporting entity set up its claim liability for provider services on a service data base? Yes [X] No []
6.2 If no, give details:
7. Provide the following Information regarding participating providers:
7.1 Number of providers at start of reporting year 10,453
7.2 Number of providers at end of reporting year 11,189
8.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
8.2 If yes, direct premium earned:
8.21 Business with rate guarantees between 15-36 months
8.22 Business with rate guarantees over 36 months
9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contract? Yes [X] No []
9.2 If yes:
9.21 Maximum amount payable bonuses \$1,002,766
9.22 Amount actually paid for year bonuses \$1,136,562
9.23 Maximum amount payable withholds \$31,652,254
9.24 Amount actually paid for year withholds \$13,144,173
10. List service areas in which reporting entity is licensed to operate:

Table with 1 column: Name of Service Area. Row 1: See Attached.

STATEMENT AS OF DECEMBER 31, 2002 OF THE JOHN DEERE HEALTH PLAN, Inc.

**GENERAL INTERROGATORIES (continued)
PART 2 – HEALTH INTERROGATORIES**

10. List service areas in which reporting entity is licensed to operate:

SERVICE AREAS

Illinois: Bureau, Carroll, DeWitt, Fulton, Henry, Jo Daviess, Knox, La Salle, Lee, Livingston, Marshall, McLean, Mercer, Peoria, Putnam, Rock Island, Stark, Tazewell, Warren, Whiteside, Woodford.

Iowa: Appanoose, Benton, Blackhawk, Boone, Bremer, Buchanan, Butler, Carroll, Cedar, Chickasaw, Clarke, Clayton, Clinton, Dallas, Davis, Delaware, Des Moines, Dubuque, Fayette, Floyd, Franklin, Greene, Grundy, Guthrie, Hamilton, Hardin, Henry, Iowa, Jackson, Jasper, Jefferson, Johnson, Jones, Keokuk, Lee, Linn, Louisa, Lucas, Madison, Mahaska, Marion, Marshall, Monroe, Muscatine, Polk, Poweshiek, Scott, Story, Tama, Van Buren, Wapello, Warren, Washington, Wayne.

Tennessee: Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Unicoi, Union, Washington.

Virginia Counties: Bedford, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Franklin, Giles, Grayson, Henry, Lee, Montgomery, Pulaski, Roanoke, Rockbridge, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe.

Virginia Cities: Bedford, Bristol, Buena Vista, Galax, Lexington, Martinsville, Norton, Radford, Roanoke, Salem.

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23)	184,819,373	188,377,476	161,931,745	134,003,973	141,644,957
2. Total liabilities (Page 3, Line 18)	105,269,490	114,083,966	91,893,082	62,967,555	76,223,162
3. Statutory surplus	22,440,000	22,440,000	22,440,000	22,440,000	22,440,000
4. Total capital and surplus (Page 3, Line 26)	79,549,883	74,293,509	70,038,663	71,036,418	65,421,795
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 7)	586,398,243	572,242,559	470,118,152	424,905,914	385,488,108
6. Total medical and hospital expenses (Line 17)	506,133,915	494,171,972	393,706,162	355,177,028	325,186,616
7. Total administrative expenses (Line 19)	65,236,359	65,858,059	70,012,271	60,559,401	48,177,677
8. Net underwriting gain (loss) (Line 22)	1,200,609	1,961,097	(2,737,780)	1,244,402	1,916,584
9. Net investment gain (loss) (Line 25)	8,946,481	9,139,375	9,189,869	7,991,847	10,276,196
10. Total other income (Lines 26 plus 27)	(12,344)	(2,545)	(52,369)	(66,764)	(68,965)
11. Net income (loss) (Line 30)	6,495,598	11,097,927	6,399,720	9,169,485	12,123,815
RISK - BASED CAPITAL ANALYSIS					
12. Total adjusted capital	79,549,883	74,293,510	70,038,663	71,036,418	64,824,790
13. Authorized control level risk-based capital	19,863,864	18,376,244	14,646,612	11,817,868	9,727,482
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	206,584	275,792	245,123	229,998	234,117
15. Total member months (Column 6, Line 7)	2,846,461	3,126,928	2,740,608	2,666,107	2,769,322
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, 3 and 5)					
16. Premiums earned (Line 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17)	86.4	86.4	85.5	85.2	86.7
18. Total underwriting deductions (Line 21)	99.8	99.7	100.7	99.7	99.7
19. Total underwriting gain (loss) (Line 22)	0.2	0.3	(0.6)	0.3	0.5
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5)	90,268,431	67,882,736	52,600,456	50,228,561	47,301,559
21. Estimated liability of unpaid claims – [prior year (Line 11, Col. 6)]	95,880,822	70,735,097	43,975,793	44,854,682	54,634,468

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2002	2 2001	3 2000	4 1999	5 1998
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	0	0	0	0	0
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
26. Affiliated mortgage loans on real estate		0	0	0	0
27. All other affiliated		0	0	0	0
28. Total of above Lines 22 to 27	0	0	0	0	0



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION		John Deere Health Plan, Inc.		2. DIVISION									
NAIC Group Code		0219	BUSINESS IN THE STATE OF Illinois		DURING THE YEAR 2002					(LOCATION)			
		1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	95378		
		Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other		
Total Members at end of:													
1.	Prior Year	38,345		38,344					1				
2.	First Quarter	32,924		32,918					6				
3.	Second Quarter	33,087		33,080					7				
4.	Third Quarter	32,216		32,209					7				
5.	Current Year	33,247		33,240					7				
6.	Current Year Member Months	393,121		393,041					80				
Total Member Ambulatory Encounters for Year:													
7.	Physician	165,640		165,508					132				
8.	Non-Physician	37,237		37,185					52				
9.	Total	202,877	0	202,693	0	0	0	0	184	0			0
10.	Hospital Patient Days Incurred	11,001		10,950					51				
11.	Number of Inpatient Admissions	2,689		2,680					9				
12.	Premiums Collected	73,550,120		73,472,481					75,765				1,874
13.	Premiums Earned	74,407,528		74,329,889					75,765				1,874
14.	Amount Paid for Provision of Health Care Services	65,816,430		65,793,374					21,521				1,535
15.	Amount Incurred for Provision of Health Care Services	63,981,049		63,963,707					16,924				418



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION		John Deere Health Plan, Inc.		2. DIVISION									
NAIC Group Code		0219	BUSINESS IN THE STATE OF Iowa		DURING THE YEAR 2002				(LOCATION)				
										NAIC Company Code		95378	
		1		Comprehensive (Hospital & Medical)		4		5		6		7	
				2	3								
		Total		Individual	Group	Medicare Supplement		Vision Only		Dental Only		Federal Employees Health Benefit Plan	
Total Members at end of:													
1. Prior Year		111,338		78,887								1,084	
2. First Quarter		108,107		75,475								1,096	
3. Second Quarter		107,628		74,672								1,109	
4. Third Quarter		107,999		74,634								1,126	
5. Current Year		110,841		75,982								1,121	
6. Current Year Member Months		1,298,362		898,987								13,299	
Total Member Ambulatory Encounters for Year:													
7. Physician		570,993		374,112								15,511	
8. Non-Physician		148,591		110,530								2,389	
9. Total		719,584		0		0		0		0		17,900	
10. Hospital Patient Days Incurred		46,308		23,444								3,139	
11. Number of Inpatient Admissions		12,630		5,964								418	
12. Premiums Collected		230,881,255		166,045,843								6,365,346	
13. Premiums Earned		232,982,868		167,842,658								6,670,144	
14. Amount Paid for Provision of Health Care Services		205,252,640		145,205,479								5,248,817	
15. Amount Incurred for Provision of Health Care Services		200,575,379		147,134,026								7,577,214	
												1,947,090	
												1,947,090	
												50,684,656	
												35,918,231	
												2,118,500	
												2,118,500	
												2,142,907	
												2,158,331	



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION		John Deere Health Plan, Inc.		2. DIVISION									
NAIC Group Code		0219	BUSINESS IN THE STATE OF Tennessee		DURING THE YEAR 2002							(LOCATION)	
				1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
				Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:													
1.	Prior Year			115,281		30,723					13,014	71,544	
2.	First Quarter			120,841		30,744					13,827	76,270	
3.	Second Quarter			132,549		30,545					14,389	87,615	
4.	Third Quarter			48,493		33,616					14,877		
5.	Current Year			51,584		36,189					15,395		
6.	Current Year Member Months			1,024,997		384,825					173,210	466,962	
Total Member Ambulatory Encounters for Year:													
7.	Physician			557,315		178,361					186,850	192,104	
8.	Non-Physician			71,615		27,189					16,762	27,664	
9.	Total			628,930	0	205,550	0	0	0	0	203,612	219,768	0
10.	Hospital Patient Days Incurred			67,615		8,656					34,142	24,817	
11.	Number of Inpatient Admissions			11,959		2,300					4,750	4,909	
12.	Premiums Collected			249,588,288		79,937,879					85,128,942	73,440,027	11,081,440
13.	Premiums Earned			241,919,559		71,801,694					85,596,398	73,440,027	11,081,440
14.	Amount Paid for Provision of Health Care Services			208,645,128		63,714,528					71,644,335	64,015,098	9,271,167
15.	Amount Incurred for Provision of Health Care Services			208,254,167		62,364,717					71,519,008	65,111,482	9,258,960



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION				John Deere Health Plan, Inc.				2. DIVISION						
NAIC Group Code		0219		BUSINESS IN THE STATE OF Virginia			DURING THE YEAR 2002					(LOCATION)		
				1	Comprehensive (Hospital & Medical)									
				Total	2	3		4	5	6	7	8	9	10
					Individual	Group		Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:														
1. Prior Year														
2. First Quarter														
3. Second Quarter														
4. Third Quarter														
5. Current Year														
6. Current Year Member Months														
Total Member Ambulatory Encounters for Year:														
7. Physician														
8. Non-Physician														
9. Total														
10. Hospital Patient Days Incurred														
11. Number of Inpatient Admissions														
12. Premiums Collected														
13. Premiums Earned														
14. Amount Paid for Provision of Health Care Services														
15. Amount Incurred for Provision of Health Care Services														



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

REPORT FOR: 1. CORPORATION		John Deere Health Plan, Inc.		2. DIVISION									
NAIC Group Code		0219	BUSINESS IN THE STATE OF Consolidated		DURING THE YEAR 2002					(LOCATION)			
		1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	95378		
		Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other		
Total Members at end of:													
1.	Prior Year	275,792	.0	156,417	.0	.0	.0	.0	16,444	102,931			.0
2	First Quarter	272,598	.0	147,288	.0	.0	.0	.0	17,504	107,806			.0
3	Second Quarter	284,240	.0	146,564	.0	.0	.0	.0	18,214	119,462			.0
4.	Third Quarter	199,632	.0	148,540	.0	.0	.0	.0	18,853	32,239			.0
5.	Current Year	206,584	0	153,348	0	0	0	0	19,498	33,738			0
6	Current Year Member Months	2,846,461	0	1,774,122	0	0	0	0	219,301	853,038			0
Total Member Ambulatory Encounters for Year:													
7.	Physician	1,373,898	.0	765,089	.0	.0	.0	.0	235,335	373,474			.0
8.	Non-Physician	269,103	0	183,474	0	0	0	0	22,293	63,336			0
9.	Total	1,643,001	0	948,563	0	0	0	0	257,628	436,810			0
10.	Hospital Patient Days Incurred	133,752	0	45,967	0	0	0	0	43,243	44,542			0
11.	Number of Inpatient Admissions	29,018	0	11,681	0	0	0	0	6,180	11,157			0
12.	Premiums Collected	591,297,917	.0	339,242,480	.0	.0	.0	.6,365,346	102,587,420	127,844,503			15,258,168
13.	Premiums Earned	586,957,110	0	334,044,340	0	0	0	6,670,144	103,139,955	127,844,503			15,258,168
14.	Amount Paid for Provision of Health Care Services	513,139,419	.0	293,259,858	.0	.0	.0	5,248,817	86,771,650	114,699,754			13,159,340
15.	Amount Incurred for Provision of Health Care Services	506,344,989	0	292,044,014	0	0	0	7,577,214	92,526,995	101,029,713			13,167,053

SCHEDULE A VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	
2.	Increase (decrease) by adjustment:	
2.1	Totals, Part 1, Column 10	
2.2	Totals, Part 3, Column 7	
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances, Column 7) and net of additions and permanent improvements (Column 9)	
4.	Cost of additions and permanent improvements:	
4.1	Totals, Part 1, Column 13	
4.2	Totals, Part 3, Column 9	
5.	Total profit (loss) on sales, Part 3, Column 14	
6.	Increase (decrease) by foreign exchange adjustment:	
6.1	Totals, Part 1, Column 11	
6.2	Totals, Part 3, Column 8	
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	
8.	Book/adjusted carrying value at end of current period	
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, current period)	

SCHEDULE B VERIFICATION BETWEEN YEARS

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year	
2.	Amount loaned during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount and mortgage interest points and commitment fees	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of mortgages owned at end of current period	

SCHEDULE BA VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	
2.	Cost of acquisitions during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book/adjusted carrying value of long-term invested assets at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of long-term invested assets at end of current period	

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year					
Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	29,772,100	31,125,598	29,895,644	29,472,079
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	29,772,100	31,125,598	29,895,644	29,472,079
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0	0
	6. Canada	0	0	0	0
	7. Other Countries	0	0	0	0
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....	0	0	0	0
	10. Canada.....	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	44,663,462	44,663,462	44,562,614	44,813,988
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	44,663,462	44,663,462	44,562,614	44,813,988
Public Utilities (unaffiliated)	17. United States	1,727,356	1,962,356	2,650,788	2,750,000
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	1,727,356	1,962,356	2,650,788	2,750,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	50,000,158	51,066,822	49,691,387	50,110,000
	22. Canada	0	0	0	0
	23. Other Countries	0	0	0	0
	24. Totals	50,000,158	51,066,822	49,691,387	50,110,000
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	126,163,076	128,818,239	126,800,432	127,146,067
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States	0	0	0	
	28. Canada	0	0	0	
	29. Other Countries	0	0	0	
	30. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0	
	32. Canada	0	0	0	
	33. Other Countries	0	0	0	
	34. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0	
	36. Canada	0	0	0	
	37. Other Countries	0	0	0	
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. Total Preferred Stocks	0	0	0	
COMMON STOCKS Public Utilities (unaffiliated)	41. United States	0	0	0	
	42. Canada	0	0	0	
	43. Other Countries	0	0	0	
	44. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	1,121,254	1,121,254	1,448,407	
	46. Canada	0	0	0	
	47. Other Countries	0	0	0	
	48. Totals	1,121,254	1,121,254	1,448,407	
Industrial and Miscellaneous (unaffiliated)	49. United States	1,526,765	1,526,765	1,773,962	
	50. Canada	0	0	0	
	51. Other Countries	0	0	0	
	52. Totals	1,526,765	1,526,765	1,773,962	
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	
	54. Total Common Stocks	2,648,019	2,648,019	3,222,369	
	55. Total Stocks	2,648,019	2,648,019	3,222,369	
	56. Total Bonds and Stocks	128,811,095	131,466,258	130,022,801	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$88,242,682 .

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	146,679,608	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	30,842,623	6.1 Column 17, Part 1	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Sec. 1	0
3.1 Column 16, Part 1	(901,686)	6.3 Column 11, Part 2, Sec. 2	0
3.2 Column 12, Part 2, Sec. 1	0	6.4 Column 11, Part 4	0
3.3 Column 10, Part 2, Sec. 2	(491,192)	7. Book/adjusted carrying value at end of current period	128,811,095
3.4 Column 10, Part 4	(513,445)	8. Total valuation allowance	0
4. Total gain (loss), Col. 14, Part 4	1,109,916	9. Subtotal (Lines 7 plus 8)	128,811,095
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	47,914,729	10. Total nonadmitted amounts	0
		11. Statement value of bonds and stocks, current period	128,811,095

SCHEDULE D - PART 1A - SECTION 1

Quality Rating per the NAIC Designation											
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	5,907,862	13,154,421	9,237,092	1,472,725	0	29,772,100	18.2	26,011,897	15.8	29,772,100	0
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	5,907,862	13,154,421	9,237,092	1,472,725	0	29,772,100	18.2	26,011,897	15.8	29,772,100	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	8,717,549	26,767,821	8,611,186	566,906	0	44,663,462	27.3	49,787,211	30.3	44,663,462	0
5.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	8,717,549	26,767,821	8,611,186	566,906	0	44,663,462	27.3	49,787,211	30.3	44,663,462	0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations																							
Quality Rating per the NAIC Designation		1 1 Year or Less		2 Over 1 Year Through 5 Years		3 Over 5 Years Through 10 Years		4 Over 10 Years Through 20 Years		5 Over 20 Years		6 Total Current Year		7 Col. 6 as a % of Line 10.7		8 Total from Col. 6 Prior Year		9 % From Col. 7 Prior Year		10 Total Publicly Traded		11 Total Privately Placed (a)	
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)																							
6.1	Class 1	.0		.0		741,772		.0		.0		741,772		0.5		1,940,965		1.2		741,772		.0	
6.2	Class 2	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
6.3	Class 3	.0		985,584		.0		.0		.0		985,584		0.6		.0		0.0		985,584		.0	
6.4	Class 4	.0		.0		.0		.0		.0		.0		.0		.0		0.0		.0		.0	
6.5	Class 5	.0		.0		.0		.0		.0		.0		.0		.0		0.0		.0		.0	
6.6	Class 6	.0		.0		.0		.0		.0		.0		.0		.0		0.0		.0		.0	
6.7	Totals	.0		985,584		741,772		.0		.0		1,727,356		1.1		1,940,965		1.2		1,727,356		.0	
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)																							
7.1	Class 1	46,591,139		24,903,225		10,901,327		.0		.0		82,395,691		50.4		79,919,466		48.6		82,395,691		.0	
7.2	Class 2	2,980,241		2,000,896		100,413		.0		.0		5,081,550		3.1		6,831,126		4.2		5,081,551		.0	
7.3	Class 3	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
7.4	Class 4	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
7.5	Class 5	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
7.6	Class 6	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
7.7	Totals	49,571,380		26,904,121		11,001,740		.0		.0		87,477,241		53.5		86,750,592		52.7		87,477,242		.0	
8. Credit Tenant Loans, Schedules D & DA (Group 8)																							
8.1	Class 1	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
8.2	Class 2	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
8.3	Class 3	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
8.4	Class 4	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
8.5	Class 5	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
8.6	Class 6	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
8.7	Totals	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)																							
9.1	Class 1	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
9.2	Class 2	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
9.3	Class 3	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
9.4	Class 4	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
9.5	Class 5	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
9.6	Class 6	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	
9.7	Totals	.0		.0		.0		.0		.0		.0		.0		.0		.0		.0		.0	

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations											
Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	61,216,550	64,825,467	29,491,377	2,039,631	.0	157,573,025	96.3	XXX	XXX	157,573,025	.0
10.2 Class 2	2,980,241	2,000,896	100,413	.0	.0	5,081,550	3.1	XXX	XXX	5,081,551	.0
10.3 Class 3	.0	985,584	.0	.0	.0	985,584	0.6	XXX	XXX	985,584	.0
10.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	XXX	XXX	.0	.0
10.7 Totals	64,196,791	67,811,947	29,591,790	2,039,631	.0	163,640,159	100.0	XXX	XXX	163,640,160	.0
10.8 Line 10.7 as a % of Col. 6	39.2	41.4	18.1	1.2	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	47,517,778	83,705,039	25,856,182	580,539	.0	XXX	XXX	157,659,538	95.8	157,659,538	.0
11.2 Class 2	3,751,813	2,978,856	100,456	.0	.0	XXX	XXX	6,831,125	4.2	6,831,126	.0
11.3 Class 3	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.4 Class 4	.0	.0	.0	.0	.0	.0	XXX	.0	0.0	.0	.0
11.5 Class 5	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Class 6	.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.7 Totals	51,269,591	86,683,895	25,956,638	580,539	.0	XXX	XXX	164,490,663	100.0	164,490,664	.0
11.8 Line 11.7 as a % of Col. 8	31.2	52.7	15.8	0.4	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	61,216,550	64,825,467	29,491,377	2,039,631	.0	157,573,025	96.3	157,659,538	95.8	157,573,025	XXX
12.2 Class 2	2,980,241	2,000,896	100,413	.0	.0	5,081,550	3.1	6,831,126	4.2	5,081,550	XXX
12.3 Class 3	.0	985,584	.0	.0	.0	985,584	0.6	.0	0.0	985,584	XXX
12.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 Totals	64,196,791	67,811,947	29,591,790	2,039,631	.0	163,640,159	100.0	164,490,664	100.0	163,640,159	XXX
12.8 Line 12.7 as a % of Col. 6	39.2	41.4	18.1	1.2	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	39.2	41.4	18.1	1.2	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.2 Class 2	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.3 Class 3	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.4 Class 4	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.5 Class 5	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.6 Class 6	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.7 Totals	.0	.0	.0	.0	.0	.0	0.0	.0	0.0	XXX	.0
13.8 Line 13.7 as a % of Col. 6	.0	.0	.0	.0	.0	.0	XXX	XXX	XXX	XXX	.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$.0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
(b) Includes \$.0 current year, \$.0 prior year of bonds with Z designations and \$.0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
(c) Includes \$.0 current year, \$.0 prior year of bonds with 5* designations and \$.0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues		1	2	3	4	5	6	7	8	9	10	11
Distribution by Type		1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
1. U.S. Governments, Schedules D & DA (Group 1)												
1.1	Issuer Obligations	5,870,878	13,103,620	9,226,865	1,468,604	.0	29,669,967	18.1	25,822,305	15.7	29,669,966	.0
1.2	Single Class Mortgage-Backed/Asset-Backed Securities	36,984	50,802	10,226	4,121	.0	102,133	0.1	189,592	0.1	102,133	.0
1.7	Totals	5,907,862	13,154,422	9,237,091	1,472,725	.0	29,772,100	18.2	26,011,897	15.8	29,772,099	.0
2. All Other Governments, Schedules D & DA (Group 2)												
2.1	Issuer Obligations	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
2.2	Single Class Mortgage-Backed/Asset-Backed Securities	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
2.3	Defined	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
2.4	Other	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
2.5	Defined	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
2.6	Other	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
2.7	Totals	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3)												
3.1	Issuer Obligations	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
3.2	Single Class Mortgage-Backed/Asset-Backed Securities	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
3.3	Defined	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
3.4	Other	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
3.5	Defined	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
3.6	Other	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
3.7	Totals	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)												
4.1	Issuer Obligations	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
4.2	Single Class Mortgage-Backed/Asset-Backed Securities	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
4.3	Defined	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
4.4	Other	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
4.5	Defined	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
4.6	Other	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
4.7	Totals	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)												
5.1	Issuer Obligations	.0	7,795,019	986,392	.0	.0	8,781,411	5.4	14,650,222	8.9	8,781,411	.0
5.2	Single Class Mortgage-Backed/Asset-Backed Securities	.0	.0	.0	.0	.0	.0	.0.0	6,921,376	4.2	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
5.3	Defined	8,717,549	18,972,801	7,624,794	566,906	.0	35,882,050	21.9	27,233,367	16.6	35,882,051	.0
5.4	Other	.0	.0	.0	.0	.0	.0	.0.0	982,245	0.6	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
5.5	Defined	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
5.6	Other	.0	.0	.0	.0	.0	.0	.0.0	.0	.0.0	.0	.0
5.7	Totals	8,717,549	26,767,820	8,611,186	566,906	.0	44,663,461	27.3	49,787,210	30.3	44,663,462	.0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type		1	2	3	4	5	6	7	8	9	10	11
		1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)												
6.1	Issuer Obligations	.0	985,584	741,772	.0	.0	1,727,356	1.1	1,940,965	1.2	1,727,356	.0
6.2	Single Class Mortgage-Backed/Asset-Based Securities	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
6.3	Defined	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.4	Other	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
6.5	Defined	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.6	Other	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6.7	Totals	.0	985,584	741,772	.0	.0	1,727,356	1.1	1,940,965	1.2	1,727,356	.0
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)												
7.1	Issuer Obligations	49,571,380	26,904,121	11,001,741	.0	.0	87,477,242	53.5	86,750,592	52.7	87,477,241	.0
7.2	Single Class Mortgage-Backed/Asset-Based Securities	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
7.3	Defined	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.4	Other	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
7.5	Defined	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.6	Other	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7.7	Totals	49,571,380	26,904,121	11,001,741	.0	.0	87,477,242	53.5	86,750,592	52.7	87,477,241	.0
8. Credit Tenant Loans, Schedules D & DA (Group 8)												
8.1	Issuer Obligations	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.7	Totals	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9. Parents, Subsidiaries and Affiliates, Schedules D & DA (Group 9)												
9.1	Issuer Obligations	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.2	Single Class Mortgage-Backed/Asset-Based Securities	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
9.3	Defined	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4	Other	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
9.5	Defined	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.6	Other	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.7	Totals	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues												
Distribution by Type		1	2	3	4	5	6	7	8	9	10	11
		1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total From Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
10. Total Bonds Current Year												
10.1 Issuer Obligations		55,442,258	48,788,344	21,956,769	1,468,604	.0	127,655,975	78.0	XXX	XXX	127,655,975	.0
10.2 Single Class Mortgage-Backed/Asset-Backed Bonds		36,984	50,802	10,226	4,121	.0	102,133	.0.1	XXX	XXX	102,133	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
10.3 Defined		8,717,549	18,972,801	7,624,794	566,906	.0	35,882,050	21.9	XXX	XXX	35,882,051	.0
10.4 Other		.0	.0	.0	.0	.0	.0	.0.0	XXX	XXX	.0	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
10.5 Defined		.0	.0	.0	.0	.0	.0	.0.0	XXX	XXX	.0	.0
10.6 Other		.0	.0	.0	.0	.0	.0	.0.0	XXX	XXX	.0	.0
10.7 Totals		64,196,791	67,811,947	29,591,789	2,039,631	.0	163,640,158	100.0	XXX	XXX	163,640,159	.0
10.8 Line 10.7 as a % of Col. 6		39.2	41.4	18.1	1.2	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year												
11.1 Issuer Obligations		41,314,164	66,082,632	21,269,800	497,487	.0	XXX	XXX	129,164,083	78.5	129,164,083	.0
11.2 Single Class Mortgage-Backed/Asset-Backed Bonds		1,954,318	4,954,720	195,444	6,486	.0	XXX	XXX	7,110,968	4.3	7,110,968	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
11.3 Defined		7,513,753	15,151,655	4,491,394	76,565	.0	XXX	XXX	27,233,367	16.6	27,233,367	.0
11.4 Other		487,357	494,889	.0	.0	.0	XXX	XXX	982,246	0.6	982,245	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
11.5 Defined		.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.6 Other		.0	.0	.0	.0	.0	XXX	XXX	.0	0.0	.0	.0
11.7 Totals		51,269,592	86,683,896	25,956,638	580,538	.0	XXX	XXX	164,490,664	100.0	164,490,663	.0
11.8 Line 11.7 as a % of Col. 8		31.2	52.7	15.8	0.4	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds												
12.1 Issuer Obligations		55,442,258	48,788,344	21,956,769	1,468,604	.0	127,655,975	78.0	129,164,083	78.5	127,655,975	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Bonds		36,984	50,802	10,226	4,121	.0	102,133	.0.1	7,110,968	4.3	102,133	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
12.3 Defined		8,717,549	18,972,801	7,624,794	566,906	.0	35,882,050	21.9	27,233,367	16.6	35,882,050	XXX
12.4 Other		.0	.0	.0	.0	.0	.0	0.0	982,245	0.6	.0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
12.5 Defined		.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.6 Other		.0	.0	.0	.0	.0	.0	0.0	.0	0.0	.0	XXX
12.7 Totals		64,196,791	67,811,947	29,591,789	2,039,631	.0	163,640,158	100.0	164,490,663	100.0	163,640,158	XXX
12.8 Line 12.7 as a % of Col. 6		39.2	41.4	18.1	1.2	0.0	100.0	XXX	XX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10		39.2	41.4	18.1	1.2	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds												
13.1 Issuer Obligations		.0	.0	.0	.0	.0	.0	.0.0	.0	0.0	XXX	.0
13.2 Single Class Mortgage-Backed/Asset-Backed Bonds		.0	.0	.0	.0	.0	.0	.0.0	.0	0.0	XXX	.0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES												
13.3 Defined		.0	.0	.0	.0	.0	.0	.0.0	.0	0.0	XXX	.0
13.4 Other		.0	.0	.0	.0	.0	.0	.0.0	.0	0.0	XXX	.0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES												
13.5 Defined		.0	.0	.0	.0	.0	.0	.0.0	.0	0.0	XXX	.0
13.6 Other		.0	.0	.0	.0	.0	.0	.0.0	.0	0.0	XXX	.0
13.7 Totals		.0	.0	.0	.0	.0	.0	.0.0	.0	0.0	XXX	.0
13.8 Line 13.7 as a % of Col. 6		.0.0	.0.0	.0.0	.0.0	.0.0	.0.0	XXX	XXX	XXX	XXX	.0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10		0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years					
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	27,915,579	27,915,579	0	0	0
2. Cost of short-term investments acquired	82,538,417	82,455,936	0	82,481	0
3. Increase (decrease) by adjustment	0	0	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	0	0	0	0	0
6. Consideration received on disposal of short-term investments	72,976,913	72,894,432	0	82,481	0
7. Book/adjusted carrying value, current year	37,477,083	37,477,083	0	0	0
8. Total valuation allowance	0	0	0	0	0
9. Subtotal (Lines 7 plus 8)	37,477,083	37,477,083	0	0	0
10. Total nonadmitted amounts	513,213	513,213	0	0	0
11. Statement value (Lines 9 minus 10)	36,963,870	36,963,870	0	0	0
12. Income collected during year	259,191	259,156	0	35	0
13. Income earned during year	259,191	259,156	0	35	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - VBY
NONE

Schedule DB - Part B - VBY
NONE

Schedule DB - Part C - VBY
NONE

Schedule DB - Part D - VBY
NONE

Schedule DB - Part E - VBY
NONE

Schedule DB - Part F - Section 1
NONE

Schedule DB - Part F - Section 2
NONE

Schedule S - Part 1 - Section 2
NONE

Schedule S - Part 2
NONE

Schedule S-Part 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2002	2 2001	3 2000	4 1999	5 1998
A. OPERATIONS ITEMS					
1. Premiums.....	557	2,600	1,843	2,281	4,060
2. Title XVIII-Medicare.....	72	166	173	246	350
3. Title XIX-Medicaid.....	208	316	673	1,029	994
4. Commissions and reinsurance expense allowance.....		0	0	0	0
5. Total medical and hospital expenses.....	211	1,791	1,537	1,820	702
B. BALANCE SHEET ITEMS					
6. Premiums receivable		0	0	0	0
7. Claims payable.....		0	0	0	0
8. Reinsurance recoverable on paid losses.....	0	40	254	239	0
9. Experience rating refunds due or unpaid.....		0	0	0	0
10. Commissions and reinsurance expense allowances unpaid.....		0	0	0	0
11. Unauthorized reinsurance offset.....	0	0	0	0	0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F).....	0	0	0	0	0
13. Letters of credit (L).....	0	0	0	0	0
14. Trust agreements (T).....	0	0	0	0	0
15. Other (O)	0	0	0	0	0

SCHEDULE S-PART 6
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 9)	165,774,965		165,774,965
2. Amounts recoverable from reinsurers (Line 12)	0		0
3. Accident and health premiums due and unpaid (Line 10).....	6,281,673		6,281,673
4. Net credit for ceded reinsurance.....	XXX	0	0
5. All other admitted assets (Balance).....	12,762,735		12,762,735
6. Total assets (Line 23)	184,819,373	0	184,819,373
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	82,425,277	0	82,425,277
8. Accrued medical incentive pool and bonus payments (Line 2).....	3,088,875		3,088,875
9. Premiums received in advance (Line 6).....	14,943,580		14,943,580
10. Reinsurance in unauthorized companies (Line 14).....	0		0
11. All other liabilities (Balance).....	4,811,758		4,811,758
12. Total liabilities (Line 18).....	105,269,490	0	105,269,490
13. Total capital and surplus (Line 26).....	79,549,883	XXX	79,549,883
14. Total liabilities, capital and surplus (Line 27)	184,819,373	0	184,819,373
NET CREDIT FOR CEDED REINSURANCE			
15. Claims unpaid.....	0		
16. Accrued medical incentive pool.....	0		
17. Premiums received in advance	0		
18. Reinsurance recoverable on paid losses	0		
19. Other ceded reinsurance recoverables	0		
20. Total ceded reinsurance recoverables	0		
21. Premiums receivable	0		
22. Unauthorized reinsurance	0		
23. Other ceded reinsurance payables/offsets	0		
24. Total ceded reinsurance payable/offsets	0		
25. Total net credit for ceded reinsurance	0		

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only			
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums
1. Alabama	AL	No				
2. Alaska	AK	No				
3. Arizona	AZ	No				
4. Arkansas	AR	No				
5. California	CA	No				
6. Colorado	CO	No				
7. Connecticut	CT	No				
8. Delaware	DE	No				
9. District of Columbia	DC	No				
10. Florida	FL	No				
11. Georgia	GA	No				
12. Hawaii	HI	No				
13. Idaho	ID	No				
14. Illinois	IL	Yes	74,331,763	75,765		
15. Indiana	IN	No				
16. Iowa	IA	No	169,961,158	1,947,090	54,404,476	6,670,144
17. Kansas	KS	No				
18. Kentucky	KY	No				
19. Louisiana	LA	No				
20. Maine	ME	No				
21. Maryland	MD	No				
22. Massachusetts	MA	No				
23. Michigan	MI	No				
24. Minnesota	MN	No				
25. Mississippi	MS	No				
26. Missouri	MO	No				
27. Montana	MT	No				
28. Nebraska	NE	No				
29. Nevada	NV	No				
30. New Hampshire	NH	No				
31. New Jersey	NJ	No				
32. New Mexico	NM	No				
33. New York	NY	No				
34. North Carolina	NC	No				
35. North Dakota	ND	No				
36. Ohio	OH	No				
37. Oklahoma	OK	No				
38. Oregon	OR	No				
39. Pennsylvania	PA	No				
40. Rhode Island	RI	No				
41. South Carolina	SC	No				
42. South Dakota	SD	No				
43. Tennessee	TN	No	82,883,134	85,596,398	73,440,027	
44. Texas	TX	No				
45. Utah	UT	No				
46. Vermont	VT	No				
47. Virginia	VA	No	22,126,454	15,520,702		
48. Washington	WA	No				
49. West Virginia	WV	No				
50. Wisconsin	WI	No				
51. Wyoming	WY	No				
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR					
55. U.S. Virgin Islands	VI					
56. Canada	CN					
57. Aggregate other alien	OT	XXX	0	0	0	0
58. Total (Direct Business)	XXX	(a) 4	349,302,509	103,139,956	127,844,503	6,670,144
DETAILS OF WRITE-INS						
5701.						
5702.						
5703.						
5798. Summary of remaining write-ins for Line 57 from overflow page			0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)			0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.:

(a) Insert the number of yes responses except for Canada and Other Alien.

PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

1.

Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?.....

Yes [X] No []
2.

Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?.....

Yes [X] No []
3.

Will an actuarial certification be filed by March 1?.....

Yes [X] No []
4.

Will the Risk-based Capital Report be filed with the NAIC by March 1?.....

Yes [X] No []
5.

Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?.....

Yes [X] No []
6.

Will the SVO Compliance Certification be filed by March 1?

Yes [X] No []

APRIL FILING

7.

Will Management's Discussion and Analysis be filed by April 1?.....

Yes [X] No []
8.

Will the Long-term Care Experience Reporting Forms be filed with the state of domicile by April 1?.....

Yes [X] No []
9.

Will the Investment Risks Interrogatories be filed by April 1?

Yes [X] No []

JUNE FILING

10.

Will an audited financial report be filed by June 1 with the state of domicile?

Yes [X] No []

EXPLANATIONS:

BAR CODE:

OVERFLOW PAGE FOR WRITE-INS

M014 Additional Aggregate Lines for Page 14 Line 25.
*EXEXP

2504.	Miscellaneous Expense.....	25,838	(8,934)		16,904
2597.	Summary of remaining write-ins for Line 25 from Page 14	25,838	(8,934)	0	16,904

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
US Governments Issuer Obligations (10) United States																				
312924-SQ-7...	Freddie Mac US\$ Cost = 521,950 Par = 520,000.....		4.330	MN.....	11/13/2006	11/13/2003	100.000	520,842	520,000	0.0000	520,842	521,950	3,002	22,516	(960)			1.....	11/07/2001...	4.133
312924-TF-0...	Freddie Mac US\$ Cost = 490,938 Par = 500,000.....		4.350	MN.....	11/21/2006			492,712	500,000	0.0000	492,712	490,938	2,417	21,750	1,663			1.....	11/30/2001...	4.764
312924-UC-5...	Freddie Mac US\$ Cost = 497,500 Par = 500,000.....		5.000	MN.....	11/29/2016			497,603	500,000	0.0000	497,603	497,500	2,222	25,000	115			1.....	11/07/2001...	5.048
31359M-KF-9...	Fannie Mae US\$ Cost = 992,410 Par = 1,000,000.....		6.250	JJ.....	07/19/2011			993,195	1,000,000	0.0000	993,195	992,410	28,125	62,500	580			1.....	07/12/2001...	6.354
31359M-LH-4...	Fannie Mae US\$ Cost = 974,805 Par = 1,000,000.....		4.375	AO.....	10/15/2006			979,671	1,000,000	106.0940	1,060,940	974,805	9,236	42,535	4,732			1.....	12/28/2001...	4.968
31359M-PX-5...	Fannie Mae US\$ Cost = 500,000 Par = 500,000.....		2.345	MN.....	11/26/2004			500,000	500,000	0.0000	500,000	500,000	1,140					1.....	11/07/2002...	2.345
31364G-BF-5...	Fannie Mae US\$ Cost = 969,920 Par = 1,000,000.....		5.380	AO.....	10/02/2013			971,001	1,000,000	0.0000	971,001	969,920	13,301	26,900	1,081			1.....	06/06/2002...	5.744
3136F0-Z4-7...	Fannie Mae US\$ Cost = 1,944,375 Par = 2,000,000.....		4.450	MN.....	11/08/2006			1,954,753	2,000,000	0.0000	1,954,753	1,944,375	13,103	89,000	10,351			1.....	12/28/2001...	5.103
3136F2-PU-6...	Fannie Mae US\$ Cost = 1,000,000 Par = 1,000,000.....		4.000	MN.....	11/05/2007			1,000,000	1,000,000	0.0000	1,000,000	1,000,000	6,222					1.....	10/30/2002...	4.000
912827-3V-2...	U S Treasury Note US\$ Cost = 1,503,516 Par = 1,500,000.....		5.500	JJ.....	01/31/2003			1,499,920	1,500,000	100.3440	1,505,160	1,503,516	34,524	82,500	(933)			1.....	07/02/1998...	5.440
912827-SG-3...	U S Treasury US\$ Cost = 5,175,000 Par = 5,000,000.....		5.500	MN.....	05/15/2009			5,156,225	5,000,000	113.4690	5,673,450	5,175,000	35,704	275,000	(18,775)			1.....	01/29/2002...	4.921
	U S Treasury Note US\$ Cost = 3,579,375 Par = 3,500,000.....		6.000	FA.....	08/15/2004			3,558,844	3,500,000	107.3750	3,758,125	3,579,375	79,321	165,000	(22,899)			1.....	05/02/2002...	4.896
912827-6T-4...	U S Treasury US\$ Cost = 2,110,313 Par = 2,000,000.....		5.000	FA.....	02/15/2011			2,099,029	2,000,000	109.8750	2,197,500	2,110,313	37,772	100,000	(10,016)			1.....	11/09/2001...	4.271
912827-7B-2...	U S Treasury US\$ Cost = 976,875 Par = 1,000,000.....		5.000	FA.....	08/15/2011			978,416	1,000,000	109.6560	1,096,560	976,875	18,886	25,000	1,541			1.....	03/11/2002...	5.314
	U S Treasury Note US\$ Cost = 2,391,969 Par = 2,350,000.....		6.250	FA.....	02/15/2003			2,350,295	2,350,000	100.5940	2,363,959	2,391,969	55,477	146,875	(5,666)			1.....	05/14/1993...	6.005
912827-L8-3...	U S Treasury Note US\$ Cost = 1,499,063 Par = 1,500,000.....		5.750	FA.....	08/15/2003			1,499,821	1,500,000	102.7810	1,541,715	1,499,063	32,578	86,250	101			1.....	12/14/1993...	5.757
	U S Treasury Note US\$ Cost = 1,007,344 Par = 1,000,000.....		5.625	FA.....	02/15/2006			1,003,343	1,000,000	110.7500	1,107,500	1,007,344	21,247	56,250	(976)			1.....	07/02/1998...	5.505
912827-V5-5...	U S Treasury US\$ Cost = 1,628,516 Par = 1,500,000.....		7.000	JJ.....	07/15/2006			1,587,153	1,500,000	115.9380	1,739,070	1,628,516	48,505	105,000	(21,919)			1.....	01/25/2001...	5.181
912828-AH-3...	U.S. Treasury US\$ Cost = 2,028,281 Par = 2,000,000.....		3.250	FA.....	08/15/2007			2,027,144	2,000,000	102.4690	2,049,380	2,028,281	24,552		(1,137)			1.....	10/15/2002...	2.933
Total United States								29,669,966	29,370,000	XXX	31,023,465	29,792,147	467,334	1,332,076	(63,117)	0	0	XXX	XXX	XXX
0199999 - Total Bonds - U.S. Government - Issuer Obligations								29,669,966	29,370,000	XXX	31,023,465	29,792,147	467,334	1,332,076	(63,117)	0	0	XXX	XXX	XXX
Single Class Mortgage (SC) United States																				
36217L-FH-4...	GNMA Pool #0196468 US\$ Cost = 38,555 Par = 37,341.....		10.000	MTLY.....	11/15/2004			37,420	37,341	0.0000	37,420	38,555	311	3,734	(110)			1.....	10/27/1989...	9.548
36218S-SV-3...	GNMA Pool #0231032 US\$ Cost = 5,120 Par = 5,155.....		9.000	MTLY.....	07/15/2017			5,121	5,155	0.0000	5,121	5,120	39	464				1.....	07/07/1989...	9.316
36220E-5X-1...	GNMA Pool #0276362 US\$ Cost = 7,079 Par = 6,907.....		9.500	MTLY.....	09/15/2004			6,931	6,907	0.0000	6,931	7,079	55	656	(23)			1.....	10/13/1989...	8.769
36220N-VU-8...	GNMA Pool #0283327 US\$ Cost = 38,724 Par = 38,706.....		9.000	MTLY.....	12/15/2019			38,711	38,706	0.0000	38,711	38,724	290	3,484	(2)			1.....	11/16/1989...	9.050
36220Y-KL-6...	GNMA Pool #0291999 US\$ Cost = 14,019 Par = 13,971.....		9.000	MTLY.....	10/15/2005			13,951	13,971	0.0000	13,951	14,019	105	1,257	(9)			1.....	10/24/1990...	8.984
Total United States								102,133	102,079	XXX	102,133	103,496	800	9,595	(143)	0	0	XXX	XXX	XXX
0299999 - Total Bonds - U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities								102,133	102,079	XXX	102,133	103,496	800	9,595	(143)	0	0	XXX	XXX	XXX
0399996 - Bonds - U.S. Government								29,772,100	29,472,079	XXX	31,125,598	29,895,644	468,133	1,341,671	(63,261)	0	0	XXX	XXX	XXX
0399999 - Total - U.S. Government Bonds								29,772,100	29,472,079	XXX	31,125,598	29,895,644	468,133	1,341,671	(63,261)	0	0	XXX	XXX	XXX
Special Revenue & Assessment Issuer Obligations (10) United States Virginia																				
92812T-NX-5...	Virginia St Hsg Dev Auth Comwl US\$ Cost = 330,605 Par = 335,000.....		5.740	AO.....	04/01/2007			331,738	335,000	0.0000	331,738	330,605	4,807	19,229	648			1PE.....	03/01/2001...	6.000
Total Virginia								331,738	335,000	XXX	331,738	330,605	4,807	19,229	648	0	0	XXX	XXX	XXX
United States																				
31331L-GZ-5...	Federal Farm Credit Bank US\$ Cost = 508,115 Par = 500,000.....		5.400	MN.....	05/10/2006			506,001	500,000	0.0000	506,001	508,115	3,825	27,000	(1,612)			1PE.....	08/31/2001...	5.005
31331L-XW-3...	Federal Farm Credit Bank US\$ Cost = 992,410 Par = 1,000,000.....		3.875	JD.....	12/15/2004			994,943	1,000,000	0.0000	994,943	992,410	1,722	38,427	2,420			1PE.....	12/28/2001...	4.146
313395-LC-7...	Federal Home Loan Bank US\$ Cost = 523,165 Par = 500,000.....		6.789	FA.....	02/05/2007			516,566	500,000	0.0000	516,566	523,165	13,767	33,945	(3,492)			1.....	01/24/2001...	5.865

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21	
			4	5									14	15							
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest	
3133M7-UL-8...	Federal Home Loan Bank US\$ Cost = 983,590 Par = 1,000,000		.5.705	MS	03/02/2009			986,392	1,000,000	.0.0000	986,392	983,590	18,858	57,050	1,765				1	05/18/2001	5.970
3133MJ-KH-2...	Federal Home Loan Bank US\$ Cost = 500,000 Par = 500,000		.4.550	MN	11/20/2006			500,000	500,000	.0.0000	500,000	500,000	2,591	22,750					1	11/07/2001	4.550
3133MJ-UR-9...	Federal Home Loan Bank US\$ Cost = 979,880 Par = 1,000,000		.4.125	MN	11/15/2006			983,978	1,000,000	.0.0000	983,978	979,880	5,271	41,250	3,691				1	11/15/2001	4.580
3133MJ-X4-7...	Federal Home Loan Bank US\$ Cost = 962,980 Par = 1,000,000		.3.625	MN	11/15/2005			971,923	1,000,000	.0.0000	971,923	962,980	4,632	36,250	8,919				1	12/28/2001	4.680
3133MK-EC-7...	Federal Home Loan Bank US\$ Cost = 999,860 Par = 1,000,000		.4.125	MN	11/15/2004			999,872	1,000,000	.0.0000	999,872	999,860	5,271	39,531	19				1	12/20/2001	4.130
3133MK-GJ-0...	Federal Home Loan Bank US\$ Cost = 993,990 Par = 1,000,000		.3.875	JD	12/15/2004			995,983	1,000,000	.0.0000	995,983	993,990	1,722	39,719	1,945				1	12/19/2001	4.090
86387U-BC-8...	Sallie Mae US\$ Cost = 990,730 Par = 1,000,000		.3.625	MS	09/30/2004			994,016	1,000,000	.0.0000	994,016	990,730	9,163	34,337	3,201			1PE	12/20/2001	3.980	
Total United States								8,449,673	8,500,000	XXX	8,449,673	8,434,720	66,822	370,259	16,855	0	0	XXX	XXX	XXX	
Total United States								8,781,411	8,835,000	XXX	8,781,411	8,765,325	71,629	389,488	17,503	0	0	XXX	XXX	XXX	
2599999 - Total Bonds - Special Revenue - Issuer Obligations								8,781,411	8,835,000	XXX	8,781,411	8,765,325	71,629	389,488	17,503	0	0	XXX	XXX	XXX	
Defined Multi-Class Residential (DR)																					
United States																					
United States																					
312907-M6-2...	FHLMC 1171- K US\$ Cost = 5,935 Par = 6,000		.8.000	MTLY	11/15/2006			5,963	6,000	.0.0000	5,963	5,935	40	480	3			1PE	10/30/1991	8.356	
312911-T8-3...	FHLMC 1369- H US\$ Cost = 1,035,970 Par = 1,073,544		.6.500	MTLY	09/15/2007	08/15/2007	100.000	1,062,049	1,073,544	.0.0000	1,062,049	1,035,970	5,815	69,780	1,302			1PE	03/17/1994	7.070	
312912-KD-9...	FHLMC 1385-H US\$ Cost = 729,087 Par = 742,103		.6.500	MTLY	08/15/2007	05/15/2006	100.000	735,621	742,103	.0.0000	735,621	729,087	4,020	48,237	1,121			1PE	12/20/1999	7.052	
312912-SJ-8...	FHLMC 1393-EB US\$ Cost = 917,024 Par = 934,844		.6.500	MTLY	12/15/2006	01/15/2004	100.000	928,033	934,844	.0.0000	928,033	917,024	5,064	60,765	3,664			1PE	07/27/2000	7.171	
312913-4Q-6...	FHLMC 1449 H US\$ Cost = 910,856 Par = 923,848		.7.000	MTLY	12/15/2007			916,257	923,848	.0.0000	916,257	910,856	5,389	64,669	1,276			1PE	02/04/2000	7.416	
312914-H8-0...	FHLMC 1480-LE US\$ Cost = 503,203 Par = 500,000		.6.500	MTLY	07/15/2008	06/15/2005	100.000	501,284	500,000	.0.0000	501,284	503,203	2,708	32,500	(1,020)			1PE	01/19/2001	6.338	
312914-M6-8...	FHLMC 1477 G US\$ Cost = 234,388 Par = 235,566		.7.000	MTLY	02/15/2021	03/15/2005	100.000	234,731	235,566	.0.0000	234,731	234,388	1,374	16,490	126			1PE	09/07/2000	7.190	
312915-DN-8...	FHLMC 1490- PH US\$ Cost = 1,371,949 Par = 1,390,416		.6.250	MTLY	04/15/2008			1,379,593	1,390,416	.0.0000	1,379,593	1,371,949	7,242	86,901	978			1PE	11/17/1993	6.606	
31339L-SR-2...	FHLMC 2390 WC US\$ Cost = 980,294 Par = 1,000,300		.5.500	MTLY	04/15/2015	04/15/2010	100.000	982,382	1,000,300	.0.0000	982,382	980,294	4,585	50,432	2,088			1PE	01/04/2002	5.883	
31339L-WP-1...	FHLMC 2391 QL US\$ Cost = 993,125 Par = 1,000,000		.5.500	MTLY	12/15/2013			993,372	1,000,000	.0.0000	993,372	993,125	4,583	55,000	239			1PE	12/28/2001	5.693	
31339W-E3-6...	FHLMC 2424-VB US\$ Cost = 979,961 Par = 1,000,000		.6.000	MTLY	01/15/2019	06/15/2011	100.000	980,770	1,000,000	.0.0000	980,770	979,961	5,000	45,000	809			1PE	03/28/2002	6.778	
3133T1-SR-4...	FHLMC 1601-PJ US\$ Cost = 1,017,813 Par = 1,000,000		.6.000	MTLY	10/15/2008			1,012,546	1,000,000	.0.0000	1,012,546	1,017,813	5,000	60,000	(2,679)			1PE	03/16/2001	5.393	
3133T3-TB-4...	FHLMC 1658 GB US\$ Cost = 1,380,549 Par = 1,323,871		.7.000	MTLY	08/15/2005			1,362,795	1,323,871	.0.0000	1,362,795	1,380,549	7,723	92,671	(13,317)			1PE	08/23/2001	4.268	
3133T4-BX-3...	FHLMC-GNMA 1687 J US\$ Cost = 961,827 Par = 987,122		.6.500	MTLY	02/15/2009	07/15/2005	100.000	975,292	987,122	.0.0000	975,292	961,827	5,347	64,163	5,296			1	04/17/2000	7.231	
3133T4-XM-3...	FHLMC-GNMA 1708-E US\$ Cost = 475,156 Par = 500,000		.6.000	MTLY	03/15/2009			481,862	500,000	.0.0000	481,862	475,156	2,500	30,000	2,411			1PE	08/31/2000	7.601	
3133T6-QQ-7...	FHLMC 1808-A US\$ Cost = 593,492 Par = 632,478		.5.000	MTLY	10/15/2007			605,563	632,478	.0.0000	605,563	593,492	2,635	31,624	3,728			1PE	06/04/1999	7.333	
3133TC-DZ-8...	FHLMC 2013 PA US\$ Cost = 714,112 Par = 731,251		.5.500	MTLY	09/15/2011	06/15/2006	100.000	724,324	731,251	.0.0000	724,324	714,112	3,352	40,219	2,099			1PE	05/11/1999	6.095	
3133TD-7D-2...	FHLMC 2038-PC US\$ Cost = 992,500 Par = 1,000,000		.5.500	MTLY	02/15/2028	04/15/2012	100.000	992,746	1,000,000	.0.0000	992,746	992,500	4,583	50,417	246			1PE	01/16/2002	5.793	
3133TE-B5-2...	FHLMC 2063-PE US\$ Cost = 973,438 Par = 1,000,000		.5.750	MTLY	07/15/2026	07/15/2008	100.000	976,413	1,000,000	.0.0000	976,413	973,438	4,792	52,708	2,975			1PE	01/09/2002	6.823	
3133TR-5M-3...	FHLMC 2280-VA US\$ Cost = 517,915 Par = 508,617		.6.000	MTLY	06/15/2007			515,680	508,617	.0.0000	515,680	517,915	2,543	30,517	(1,464)			1PE	07/10/2001	5.192	
3133TR-RL-1...	FHLMC 2295-PD US\$ Cost = 999,688 Par = 1,000,000		.6.000	MTLY	12/15/2025	06/01/2004	100.000	998,848	1,000,000	.0.0000	998,848	999,688	5,000	60,000	(541)			1PE	03/29/2001	5.826	
3133TT-M8-1...	FHLMC 2315 K US\$ Cost = 979,297 Par = 1,000,000		.6.000	MTLY	05/15/2011	02/15/2008	100.000	982,147	1,000,000	.0.0000	982,147	979,297	5,000	60,000	1,860			1PE	05/30/2001	6.973	
3133TT-NU-1...	FHLMC 2314 PB US\$ Cost = 1,499,063 Par = 1,500,000		.6.500	MTLY	04/15/2027	05/15/2007	100.000	1,498,580	1,500,000	.0.0000	1,498,580	1,499,063	8,125	97,500	(317)			1PE	05/30/2001	6.478	
3133TV-DD-5...	FHLMC 2356 GB US\$ Cost = 857,541 Par = 820,000		.6.000	MTLY	08/15/2013	09/15/2007	100.000	853,772	820,000	.0.0000	853,772	857,541	4,100	20,500	(3,768)			1PE	07/12/2002	4.819	
31358T-TB-5...	FNMA 1993-014- A US\$ Cost = 164,596 Par = 165,684		.6.000	MTLY	02/25/2008	06/25/2007	100.000	164,753	165,684	.0.0000	164,753	164,596	828	9,941	40			1PE	04/28/1998	6.173	
31358U-FW-1...	FNMA 1993-038- K US\$ Cost = 71,518 Par = 72,446		.6.750	MTLY	08/25/2021	02/25/2004	100.000	72,004	72,446	.0.0000	72,004	71,518	408	4,890	81			1PE	03/17/1993	7.142	
31359A-EG-0...	FNMA 1993-93 G US\$ Cost = 748,587 Par = 744,747		.6.750	MTLY	05/25/2008			745,715	744,747	.0.0000	745,715	748,587	4,189	50,270	(1,088)			1PE	12/08/2000	6.555	
31359A-YR-4...	FNMA 1993-87 KE US\$ Cost = 475,938 Par = 500,000		.6.000	MTLY	09/25/2008	11/25/2007	100.000	482,404	500,000	.0.0000	482,404	475,938	2,500	30,000	2,146			1PE	10/01/1999	7.809	
31359F-3Z-9...	FNMA 1994-001- N US\$ Cost = 349,410 Par = 348,158		.6.500	MTLY	07/25/2013	09/25/2004	100.000	347,583	348,158	.0.0000	347,583	349,410	1,886	22,630	(443)			1PE	12/18/1997	6.251	
31359K-5E-3...	FNMA 1996-53 K US\$ Cost = 59,832 Par = 60,399		.6.500	MTLY	12/18/2011	02/18/2011	100.000	59,938	60,399	.0.0000	59,938	59,832	327	3,926	54			1PE	12/13/2000	6.715	
31359N-AR-2...	FNMA 1996-64 PK US\$ Cost = 1,277,970 Par = 1,293,533		.6.500	MTLY	05/18/2011	12/18/2006	100.000	1,281,793	1,293,533	.0.0000	1,281,793	1,277,970	7,007	84,080	1,357			1PE	12/07/1999	6.992	
</																					

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21	
			4	5									14	15							
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of In-terest	
31359V-JK-0...	FNMA 1999-9 PC US\$ Cost = 972,500 Par = 1,000,000...		.5 000	MTLY...	06/25/2014...	07/25/2006...	100 000	981,519	1,000,000	0.0000	981,519	972,500	4,167	50,000	5,098				1PE	03/06/2001...	5.676
31392A-WT-1...	FNMA 2001-71 EC US\$ Cost = 988,906 Par = 1,000,000...		.6 000	MTLY...	08/25/2027...	02/25/2011...	100 000	989,465	1,000,000	0.0000	989,465	988,906	5,000	45,000	559				1.....	03/14/2002...	6.192
31392A-XP-8...	FNMA 2001-71 QC US\$ Cost = 1,009,219 Par = 1,000,000...		.6 000	MTLY...	09/25/2014...	05/25/2009...	100 000	1,007,383	1,000,000	0.0000	1,007,383	1,009,219	5,000	60,000	(1,997)				1PE	12/28/2001...	5.798
31392B-2R-6...	FNMA 2002-7 QM US\$ Cost = 1,006,875 Par = 1,000,000...		.6 000	MTLY...	02/25/2020...	04/25/2011...	100 000	1,005,973	1,000,000	0.0000	1,005,973	1,006,875	5,000	45,000	(902)				1PE	03/06/2002...	5.900
31392H-EL-3...	FNMA 2002-97 LP US\$ Cost = 513,633 Par = 500,000...		.5 000	MTLY...	07/25/2025...	07/25/2009...	100 000	513,616	500,000	0.0000	513,616	513,633	2,083		(17)				1PE	12/30/2002...	3.705
31392W-A6-7...	FHLMC 2512-PX US\$ Cost = 506,348 Par = 500,000...		.5 000	MTLY...	06/15/2018...	10/15/2007...	100 000	506,187	500,000	0.0000	506,187	506,348	2,083	4,167	(161)				1PE	10/30/2002...	4.112
31392W-SB-7...	FHLMC 2518-A US\$ Cost = 487,503 Par = 484,061...		.5 000	MTLY...	12/15/2014...	09/15/2005...	100 000	487,323	484,061	0.0000	487,323	487,503	2,017	4,034	(179)				1PE	10/30/2002...	4.121
383739-RL-5...	GNMA 2001-6 PM US\$ Cost = 1,543,125 Par = 1,500,000...		.6 500	MTLY...	06/16/2030...	02/16/2018...	100 000	1,541,170	1,500,000	0.0000	1,541,170	1,543,125	8,125	48,750	(1,955)				1.....	06/14/2002...	6.146
38373W-AV-0...	GNMA 2002-11 LC US\$ Cost = 1,026,563 Par = 1,000,000...		.6 250	MTLY...	11/20/2027...	05/20/2008...	100 000	1,023,471	1,000,000	0.0000	1,023,471	1,026,563	5,208	31,250	(3,091)				1PE	06/11/2002...	5.592
Total United States								35,882,051	35,978,988	XXX	35,882,051	35,797,289	182,973	1,962,010	7,295		0	0	XXX	XXX	XXX
Total United States								35,882,051	35,978,988	XXX	35,882,051	35,797,289	182,973	1,962,010	7,295		0	0	XXX	XXX	XXX
2799999 - Total Bonds - Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities								35,882,051	35,978,988	XXX	35,882,051	35,797,289	182,973	1,962,010	7,295		0	0	XXX	XXX	XXX
3199996 - Bonds - Special Revenue - United States								44,663,462	44,813,988	XXX	44,663,462	44,562,614	254,602	2,351,498	24,798		0	0	XXX	XXX	XXX
3199997 - Bonds - Special Revenue - Canada								0	0	XXX	0	0	0	0	0		0	0	XXX	XXX	XXX
3199998 - Bonds - Special Revenue - Other Countries								0	0	XXX	0	0	0	0	0		0	0	XXX	XXX	XXX
3199999 - Total - Special Revenue Bonds								44,663,462	44,813,988	XXX	44,663,462	44,562,614	254,602	2,351,498	24,798		0	0	XXX	XXX	XXX
Public Utilities (unaffiliated)																					
Issuer Obligations (10)																					
United States																					
95527P-AC-2...	West Penn Power US\$ Cost = 960,440 Par = 1,000,000...		.6 375	JD.....	06/01/2004...			985,584	1,000,000	0.0000	985,584	960,440	5,313	63,750	9,260				3.....	02/02/2000...	7.460
976657-AD-8...	Wisconsin Energy Corp. US\$ Cost = 740,738 Par = 750,000...		.5 500	JD.....	12/01/2008...			741,772	750,000	0.0000	741,772	740,738	3,438	42,510	1,034				1PE	02/14/2002...	5.720
98155K-AH-5...	MCI WorldCom Inc. US\$ Cost = 949,610 Par = 1,000,000...		.6 400	FA.....	08/15/2005...				1,000,000	23.5000	235,000	949,610		32,000	(964,640)		56,178	6.....	02/01/2000...	7.530	
Total United States								1,727,356	2,750,000	XXX	1,962,356	2,650,788	8,750	138,260	(954,346)	0	56,178	XXX	XXX	XXX	
3299999 - Total Bonds - Public Utilities - Issuer Obligations								1,727,356	2,750,000	XXX	1,962,356	2,650,788	8,750	138,260	(954,346)	0	56,178	XXX	XXX	XXX	
3899996 - Bonds - Public Utilities - United States								1,727,356	2,750,000	XXX	1,962,356	2,650,788	8,750	138,260	(954,346)	0	56,178	XXX	XXX	XXX	
3899997 - Bonds - Public Utilities - Canada								0	0	XXX	0	0	0	0	0		0	0	XXX	XXX	XXX
3899998 - Bonds - Public Utilities - Other Countries								0	0	XXX	0	0	0	0	0		0	0	XXX	XXX	XXX
3899999 - Total - Public Utilities Bonds								1,727,356	2,750,000	XXX	1,962,356	2,650,788	8,750	138,260	(954,346)	0	56,178	XXX	XXX	XXX	
Industrial & Miscellaneous																					
Issuer Obligations (10)																					
United States																					
002824-AM-2...	Abbott Laboratories US\$ Cost = 530,090 Par = 500,000...		.5 625	JJ.....	07/01/2006...			523,299	500,000	109.3230	546,615	530,090	14,063	27,813	(6,060)				1.....	11/09/2001...	4.180
009158-AK-2...	Air Products & Chemical US\$ Cost = 275,469 Par = 300,000...		.6 250	JD.....	06/15/2003...			298,294	300,000	0.0000	298,294	275,469	833	18,750	3,470				1PE	06/22/1994...	7.520
02635K-BL-7...	American General Corp US\$ Cost = 441,077 Par = 450,000...		.6 375	MS.....	03/01/2003...			449,691	450,000	0.0000	449,691	441,077	9,563	28,688	1,111				1PE	03/17/1993...	6.650
031162-AB-6...	Amgen Inc. US\$ Cost = 1,026,690 Par = 1,000,000...		.6 500	JD.....	12/01/2007...			1,020,947	1,000,000	110.6500	1,106,500	1,026,690	5,417	65,000	(3,576)				1.....	05/10/2001...	6.000
045903-7E-5...	Associates Corp NA MTN Series G US\$ Cost = 981,880 Par = 1,000,000...		.7 640	MN.....	05/26/2004...			992,916	1,000,000	0.0000	992,916	981,880	12,733	76,400	4,534				1PE	05/16/2000...	8.178
06423A-AN-3...	Bank One Corp US\$ Cost = 1,016,080 Par = 1,000,000...		.6 000	FA.....	08/01/2008...			1,013,641	1,000,000	110.3400	1,103,400	1,016,080	25,000	58,833	(2,036)				1.....	10/09/2001...	5.710
068277-AA-0...	Halliburton Co US\$ Cost = 1,013,180 Par = 1,000,000...		.8 000	AO.....	04/15/2003...			1,000,236	1,000,000	0.0000	1,000,236	1,013,180	16,889	80,000	(2,166)				2PE	08/19/1994...	7.785
125577-AC-0...	CIT Group Inc. US\$ Cost = 946,290 Par = 1,000,000...		.5 500	FA.....	02/15/2004...			983,988	1,000,000	102.2580	1,022,580	946,290	20,778	55,000	13,190				1.....	12/06/1999...	7.000
14149Y-AC-2...	Cardinal Health Inc. US\$ Cost = 496,675 Par = 500,000...		.4 450	JD.....	06/30/2005...			497,513	500,000	104.9650	524,825	496,675	62	17,615	838				1.....	03/15/2002...	4.663
191219-BF-0...	Coca-Cola Enterprises US\$ Cost = 1,649,408 Par = 1,700,000...		.5 750	MN.....	11/01/2008...			1,658,724	1,700,000	0.0000	1,658,724	1,649,408	16,292	97,750	5,681				1PE	04/17/2001...	6.251
19416Q-CK-4...	Colgate Palmolive Co MTN US\$ Cost = 936,250 Par = 1,000,000...		.5 270	JD.....	12/01/2003...			981,472	1,000,000	0.0000	981,472	936,250	4,392	52,700	18,788				1PE	06/12/2000...	7.390

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21
			4	5									14	15						
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest
199575-AN-1.	Columbus Southern Power US\$ Cost = 792,818 Par = 750,000.		.6.850	FA.	10/03/2005			779,460	750,000	.0.0000	779,460	792,818	21,406	51,375	(9,674)			1PE.	08/07/2001	5.300
200339-AP-4.	Comerica Inc US\$ Cost = 1,791,228 Par = 1,800,000.		7.250	JD.	06/15/2007			1,793,811	1,800,000	.0.0000	1,793,811	1,791,228	5,800	130,500	1,109			1PE.	12/13/2000	7.340
208251-AC-2.	Conoco Inc. US\$ Cost = 965,800 Par = 1,000,000.		5.900	AO.	04/15/2004			988,721	1,000,000	104.6790	1,046,790	965,800	12,456	59,000	8,017			1.	12/06/1999	6.819
211135-OR-2.	Contl Bank N.A. US\$ Cost = 629,025 Par = 625,000.		7.875	FA.	02/01/2003			624,928	625,000	.0.0000	624,928	629,025	20,508	49,219	(740)			1PE.	04/13/1995	7.760
21666W-CB-4.	Cooper Industries Inc MTN US\$ Cost = 492,365 Par = 500,000.		5.880	MS.	02/20/2003			499,668	500,000	.0.0000	499,668	492,365	9,800	29,400	1,704			1.	04/27/1998	6.250
239753-DM-5.	Target Corp Dayton Hudson US\$ Cost = 1,016,960 Par = 1,000,000.		5.875	MN.	11/01/2008			1,014,924	1,000,000	.0.0000	1,014,924	1,016,960	9,792	58,750	(2,036)			1PE.	01/10/2002	5.570
250847-DR-8.	Detroit Edison Company US\$ Cost = 501,935 Par = 500,000.		5.050	AO.	10/01/2005			501,488	500,000	.0.0000	501,488	501,935	6,313	24,619	(447)			1PE.	02/22/2002	4.930
25468P-BA-3.	Walt Disney Company US\$ Cost = 945,620 Par = 1,000,000.		5.125	JD.	12/15/2003			985,691	1,000,000	.0.0000	985,691	945,620	2,278	51,250	14,008			2.	12/07/1999	6.692
257867-AD-3.	Donnelley (R.R.) & Sons Co. US\$ Cost = 988,870 Par = 1,000,000.		7.000	JJ.	01/01/2003			1,000,000	1,000,000	.0.0000	1,000,000	988,870	35,000	70,000	4,638			1PE.	06/16/2000	7.490
291011-AG-9.	Emerson Electric Co. US\$ Cost = 939,180 Par = 1,000,000.		5.000	AO.	10/15/2008			950,673	1,000,000	106.5640	1,065,640	939,180	10,556	50,000	6,921			1.	04/10/2001	6.020
3134A2-2W-7.	Federal Home Loan Mortgage Cor US\$ Cost = 2,159,195 Par = 2,300,000.		5.650	FA.	02/02/2006			2,216,094	2,300,000	.0.0000	2,216,094	2,159,195	53,785	129,950	23,531			1PE.	09/05/2000	6.981
319455-BR-1.	Bank One Corp US\$ Cost = 1,019,100 Par = 1,000,000.		7.625	JJ.	01/15/2003			1,000,177	1,000,000	100.1510	1,001,510	1,019,100	35,160	76,250	(6,669)			1.	12/06/1999	6.926
319963-AA-2.	First Data Corp. US\$ Cost = 978,940 Par = 1,000,000.		6.625	AO.	04/01/2003			997,628	1,000,000	.0.0000	978,940		16,563	66,250	7,665			1PE.	06/12/2000	7.468
33738M-AC-5.	Wachovia Corp (New) First Union National Bank US\$ Cost = 508,450 Par = 500,000.		5.800	JD.	12/01/2008			507,293	500,000	.0.0000	507,293	508,450	2,417	29,000	(1,021)			1PE.	11/13/2001	5.507
345397-HB-2.	Ford Motor Credit Co US\$ Cost = 1,014,640 Par = 1,000,000.		6.375	JD.	12/15/2005			1,010,321	1,000,000	.0.0000	1,010,321	1,014,640	2,833	63,750	(3,116)			2PE.	07/26/2001	5.987
369622-CM-5.	General Electric Cap. Corp US\$ Cost = 858,600 Par = 750,000.		8.750	MN.	05/21/2007			835,181	750,000	120.4040	903,030	858,600	7,292	65,625	(16,621)			1.	07/24/2001	5.780
36962G-UX-0.	General Elec Cap Corp US\$ Cost = 1,007,655 Par = 1,000,000.		7.500	JD.	06/05/2003			1,001,062	1,000,000	.0.0000	1,001,062	1,007,655	5,417	75,000	(2,791)			1PE.	06/20/2000	7.205
370425-RJ-1.	Genl Motors Accept. Corp. US\$ Cost = 974,580 Par = 1,000,000.		6.850	JD.	06/17/2004			990,575	1,000,000	104.1430	1,041,430	974,580	2,664	68,500	5,859			2.	01/31/2000	7.540
38141G-AK-0.	Goldman Sachs Group Inc US\$ Cost = 993,860 Par = 1,000,000.		7.500	JJ.	01/28/2005			997,082	1,000,000	.0.0000	997,082	993,860	31,875	75,000	1,213			1PE.	01/31/2000	7.650
423328-BS-1.	Heller Financial Inc US\$ Cost = 1,012,480 Par = 1,000,000.		6.375	MS.	03/15/2006			1,008,358	1,000,000	110.8600	1,108,600	1,012,480	18,771	63,750	(2,327)			1.	03/15/2001	6.080
441812-EZ-3.	Household Finance Corp US\$ Cost = 501,400 Par = 500,000.		6.875	MS.	03/01/2003			499,904	500,000	.0.0000	499,904	501,400	11,458	34,375	(252)			1PE.	03/12/1993	6.835
452308-AE-9.	Illinois Tool Works Inc. US\$ Cost = 504,445 Par = 500,000.		5.750	MS.	03/01/2009			503,821	500,000	108.8600	544,300	504,445	9,583	28,750	(512)			1.	10/10/2001	5.600
459200-AW-1.	International Business Machine US\$ Cost = 1,021,910 Par = 1,000,000.		4.875	AO.	10/01/2006			1,017,226	1,000,000	106.7190	1,067,190	1,021,910	12,188	49,292	(4,151)			1.	11/09/2001	4.370
45974V-YE-2.	Intl Lease Finance Corp US\$ Cost = 1,005,500 Par = 1,000,000.		5.700	AO.	07/03/2006			1,004,272	1,000,000	.0.0000	1,004,272	1,005,500	12,033	57,000	(1,075)			1PE.	11/15/2001	5.564
46849E-AD-9.	Jackson National Life US\$ Cost = 1,503,915 Par = 1,500,000.		5.250	MS.	03/15/2007			1,503,238	1,500,000	.0.0000	1,503,238	1,503,915	23,188	40,031	(677)			1PE.	03/06/2002	5.190
478366-AH-0.	Johnson Controls Inc. US\$ Cost = 744,750 Par = 750,000.		6.300	FA.	02/01/2008			745,776	750,000	.0.0000	745,776	744,750	19,688	47,250	674			1PE.	06/18/2001	6.430
637432-BY-0.	National Rural Utilities US\$ Cost = 985,010 Par = 1,000,000.		6.375	AO.	10/15/2004			993,817	1,000,000	.0.0000	993,817	985,010	13,458	63,750	3,084			1PE.	12/07/1999	6.740
638585-BG-3.	Bankamerica Corp US\$ Cost = 1,017,910 Par = 1,000,000.		6.375	MN.	05/15/2005			1,007,007	1,000,000	.0.0000	1,007,007	1,017,910	8,146	63,750	(2,704)			1PE.	07/02/1998	6.049
709903-BB-3.	Pennzoil Co US\$ Cost = 100,750 Par = 100,000.		10.125	MN.	11/15/2009			100,413	100,000	125.8950	125,895	100,750	1,294	10,125	(42)			2.	12/05/1989	10.035
724477-AR-5.	Pitney Bowes Inc Credit Corp US\$ Cost = 1,032,030 Par = 1,000,000.		5.750	FA.	08/15/2008			1,027,425	1,000,000	110.6890	1,106,890	1,032,030	21,722	56,382	(4,122)			1.	11/13/2001	5.180

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	3	Interest		6	7	8	9	10	11	12	13	Interest		16	17	18	19	20	21		
			4	5									14	15								
CUSIP Identification	Description	*	Rate of	How Paid	Maturity Date	Option Date	Option Call Price	Book/Adjusted Carrying Value	Par Value	Rate Used to Obtain Fair Value	Fair Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds not in Default	Gross Amount Received During Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Amount of Interest Due and Accrued Dec. 31 Current Year, on Bonds in Default as to Principal or Interest	NAIC Designation	Date Acquired	Effective Rate of Interest		
742718-BV-0.	Procter & Gamble Co. US\$ Cost = 998,700 Par = 1,000,000		.4.000	AO.	04/30/2005			999,048	1,000,000	.0.0000	999,048	998,700	6,778	26,889	348			1PE	03/05/2002	4.041		
81238X-RE-3.	Sears Roebuck Co MTN US\$ Cost = 1,025,430 Par = 1,000,000		.6.650	AO.	02/20/2003			1,000,729	1,000,000	.0.0000	1,000,729	1,025,430	16,625	66,500	(6,158)			1PE	07/01/1998	6.010		
84534E-CA-4.	SBC Commun Capital Corp US\$ Cost = 946,000 Par = 1,000,000		.6.250	FA.	07/07/2005			972,228	1,000,000	.0.0000	972,228	946,000	23,611	62,500	9,683			1PE	02/01/2000	7.480		
854616-AF-6.	Stanley Works US\$ Cost = 962,950 Par = 1,000,000		.5.750	MS.	03/01/2004			988,643	1,000,000	104.2770	1,042,770	962,950	19,167	57,500	8,971			1.	12/06/1999	6.769		
863200-AB-7.	May Department Stores Co US\$ Cost = 778,568 Par = 750,000		.6.625	AO.	10/15/2003			760,504	750,000	102.7550	770,663	778,568	10,490	49,688	(12,851)			1.	07/26/2001	4.782		
881685-BG-5.	Texaco Capital Inc. US\$ Cost = 1,247,945 Par = 1,335,000		.6.000	JD.	06/15/2005			1,288,473	1,335,000	.0.0000	1,288,473	1,247,945	3,560	80,100	16,621			1PE	05/26/2000	7.580		
913017-AW-9.	United Technologies Corp US\$ Cost = 961,350 Par = 1,000,000		.6.500	JD.	06/01/2009			969,427	1,000,000	111.8570	1,118,570	961,350	5,417	65,000	3,639			1.	09/07/2000	7.100		
913026-AR-1.	United Telephone Florida US\$ Cost = 960,390 Par = 1,000,000		.6.250	MN.	05/15/2003			994,314	1,000,000	.0.0000	994,314	960,390	7,986	62,500	13,727			2PE	05/16/2000	7.760		
918204-AJ-7.	VF Corp. US\$ Cost = 952,840 Par = 1,000,000		.6.750	JD.	06/01/2005			974,412	1,000,000	.0.0000	974,412	952,840	5,625	67,500	9,227			1PE	07/07/2000	7.930		
931142-BE-2.	Wal-Mart Stores Inc. US\$ Cost = 1,560,826 Par = 1,500,000		.6.875	FA.	08/10/2009			1,550,807	1,500,000	.0.0000	1,550,807	1,560,826	40,391	103,125	(6,061)			1PE	04/17/2001	6.240		
939640-AC-2.	Washington Post Co. US\$ Cost = 950,360 Par = 1,000,000		.5.500	FA.	02/15/2009			958,816	1,000,000	.0.0000	958,816	950,360	20,778	55,000	5,348			1PE	05/18/2001	6.320		
94975C-AD-9.	Wells Fargo Financial US\$ Cost = 1,024,020 Par = 1,000,000		.6.125	FA.	02/15/2006			1,016,001	1,000,000	.0.0000	1,016,001	1,024,020	23,139	61,250	(4,595)			1PE	03/15/2001	5.557		
Total United States								50,000,158	50,110,000	XXX	51,066,822	49,691,387	753,025	3,073,992	91,122	0	0	0	XXX	XXX	XXX	
3999999 - Total Bonds - Industrial, Misc. - Issuer Obligations								50,000,158	50,110,000	XXX	51,066,822	49,691,387	753,025	3,073,992	91,122	0	0	0	XXX	XXX	XXX	
4599996 - Bonds - Industrial and Misc - United States								50,000,158	50,110,000	XXX	51,066,822	49,691,387	753,025	3,073,992	91,122	0	0	0	XXX	XXX	XXX	
4599997 - Bonds - Industrial and Misc - Canada								0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
4599998 - Bonds - Industrial and Misc - Other Countries								0	0	XXX	0	0	0	0	0	0	0	0	XXX	XXX	XXX	
4599999 - Total - Industrial and Miscellaneous Bonds								50,000,158	50,110,000	XXX	51,066,822	49,691,387	753,025	3,073,992	91,122	0	0	0	XXX	XXX	XXX	
5499999 - Total - Issuer Obligations								90,178,892	91,065,000	XXX	92,834,054	90,899,646	1,300,738	4,933,816	(908,838)	0	56,178	XXX	XXX	XXX		
5599999 - Total - Single Class Mortgage-Backed/Asset-Backed Securities								102,133	102,079	XXX	102,133	103,496	800	9,595	(143)	0	0	0	XXX	XXX	XXX	
5699999 - Total - Defined Multi-Class Residential Mortgage-Backed Securities								35,882,051	35,978,988	XXX	35,882,051	35,797,289	182,973	1,962,010	7,295	0	0	0	XXX	XXX	XXX	
5799999 - Total - Other Multi-Class Residential Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5899999 - Total - Defined Multi-Class Commercial Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
5999999 - Total - Other Multi-Class Commercial Mortgage-Backed Securities								0	0	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX	XXX
					</																	

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

[illegible]

SCHEDULE D - PART 2 - SECTION 2

[illegible]

E10

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Date Acquired	4 Name of Vendor	5 Number of Shares of Stock	6 Actual Cost	7 Par Value	8 Paid for Accrued Interest and Dividends
BONDS							
US Governments							
United States							
31359M-PX-5	Fannie Mae 2.345% 11/26/04 US\$ Cost = 500,000	11/07/2002	Salomon Smith Barney (Bonds)		500,000	500,000	
31364G-BF-5	Fannie Mae 5.380% 10/02/13 US\$ Cost = 969,920	06/06/2002	Craigie (Bonds)		969,920	1,000,000	9,714
3136F2-PU-6	Fannie Mae 4.000% 11/05/07 US\$ Cost = 1,000,000	10/30/2002	Legg Mason		1,000,000	1,000,000	
912827-5G-3	U S Treasury 5.500% 05/15/09 US\$ Cost = 5,175,000	01/29/2002	Legg Mason		5,175,000	5,000,000	57,735
912827-5M-0	U S Treasury Note 6.000% 08/15/04 US\$ Cost = 1,585,313	05/02/2002	Salomon Smith Barney (Bonds)		1,585,313	1,500,000	19,144
912827-7B-2	U S Treasury 5.000% 08/15/11 US\$ Cost = 976,875	03/11/2002	Salomon Smith Barney (Bonds)		976,875	1,000,000	3,453
912828-AH-3	U.S. Treasury 3.250% 08/15/07 US\$ Cost = 2,028,281	10/15/2002	Legg Mason		2,028,281	2,000,000	10,951
Total United States					12,235,389	12,000,000	100,996
0399996 - Bonds - U.S. Government					12,235,389	12,000,000	100,996
0399999 - Total - Bonds - U.S. Government					12,235,389	12,000,000	100,996
Special Revenue & Assessment							
United States							
United States							
31339L-SR-2	FHLMC 2390 WC 5.500% 04/15/15 US\$ Cost = 980,294	01/04/2002	Vining Sparks		980,294	1,000,300	1,223
31339W-E3-6	FHLMC 2424-VB 6.000% 01/15/19 US\$ Cost = 979,961	03/28/2002	Legg Mason		979,961	1,000,000	4,500
3133TD-7D-2	FHLMC 2038-PC 5.500% 02/15/28 US\$ Cost = 992,500	01/16/2002	Legg Mason		992,500	1,000,000	3,208
3133TE-B5-2	FHLMC 2063-PE 5.750% 07/15/26 US\$ Cost = 973,438	01/09/2002	Legg Mason		973,438	1,000,000	2,076
3133TV-DD-5	FHLMC 2356 GB 6.000% 08/15/13 US\$ Cost = 857,541	07/12/2002	Vining Sparks		857,541	820,000	2,187
31392A-WT-1	FNMA 2001-71 EC 6.000% 08/25/27 US\$ Cost = 988,906	03/14/2002	Legg Mason		988,906	1,000,000	3,000
31392B-2R-6	FNMA 2002-7 QM 6.000% 02/25/20 US\$ Cost = 1,006,875	03/06/2002	Salomon Smith Barney (Bonds)		1,006,875	1,000,000	1,667
31392H-EL-3	FNMA 2002-97 LP 5.000% 07/25/25 US\$ Cost = 513,633	12/30/2002	Legg Mason		513,633	500,000	2,014
31392W-A6-7	FHLMC 2512-PX 5.000% 06/15/18 US\$ Cost = 506,348	10/30/2002	Legg Mason		506,348	500,000	2,014
31392W-SB-7	FHLMC 2518-A 5.000% 12/15/14 US\$ Cost = 487,503	10/30/2002	Salomon Smith Barney (Bonds)		487,503	484,061	1,950
383739-RL-5	GNMA 2001-6 PM 6.500% 06/16/30 US\$ Cost = 1,543,125	06/14/2002	Vining Sparks		1,543,125	1,500,000	4,875
38373W-AV-0	GNMA 2002-11 LC 6.250% 11/20/27 US\$ Cost = 1,026,563	06/11/2002	Salomon Smith Barney (Bonds)		1,026,563	1,000,000	2,257
Total United States					10,856,685	10,804,361	30,970
Total United States					10,856,685	10,804,361	30,970
3199996 - Bonds - Special Revenues - United States					10,856,685	10,804,361	30,970
3199997 - Bonds - Special Revenues - Canada					0	0	0
3199998 - Bonds - Special Revenues - Other Countries					0	0	0
3199999 - Total - Bonds - Special Revenue					10,856,685	10,804,361	30,970
Public Utilities (unaffiliated)							
United States							
976657-AD-8	Wisconsin Energy Corp. 5.500% 12/01/08 US\$ Cost = 740,738	02/14/2002	Craigie (Bonds)		740,738	750,000	10,313
Total United States					740,738	750,000	10,313
3899996 - Bonds - Public Utilities - United States					740,738	750,000	10,313
3899997 - Bonds - Public Utilities - Canada					0	0	0
3899998 - Bonds - Public Utilities - Other Countries					0	0	0
3899999 - Total - Bonds - Public Utilities					740,738	750,000	10,313
Industrial & Miscellaneous							
United States							
14149Y-AC-2	Cardinal Health Inc. 4.450% 06/30/05 US\$ Cost = 496,675	03/15/2002	Vining Sparks		496,675	500,000	309
239753-DM-5	Target Corp Dayton 5.875% 11/01/08 Hudson US\$ Cost = 1,016,960	01/10/2002	Craigie (Bonds)		1,016,960	1,000,000	12,076
250847-DR-8	Detroit Edison Company 5.050% 10/01/05 US\$ Cost = 501,935	02/22/2002	Legg Mason		501,935	500,000	9,609
46849E-AD-9	Jackson National Life 5.250% 03/15/07 US\$ Cost = 1,503,915	03/06/2002	Craigie (Bonds)		1,503,915	1,500,000	
742718-BV-0	Procter & Gamble Co. 4.000% 04/30/05 US\$ Cost = 998,700	03/05/2002	Vining Sparks		998,700	1,000,000	889
Total United States					4,518,185	4,500,000	22,883
4599996 - Bonds - Industrial and Misc - United States					4,518,185	4,500,000	22,883
4599997 - Bonds - Industrial and Misc - Canada					0	0	0
4599998 - Bonds - Industrial and Misc - Other Countries					0	0	0
4599999 - Total - Bonds - Industrial, Misc.					4,518,185	4,500,000	22,883
6099997 - Total - Bonds - Part 3					28,350,996	28,054,361	165,162
6099998 - Total - Bonds - Part 5					2,491,627	2,515,939	17,111
6099999 - Total - Bonds					30,842,623	30,570,300	182,274
6599998 - Total - Preferred Stocks - Part 5					0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0
7099998 - Total - Common Stocks - Part 5					0	XXX	0

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

[illegible]

ET.1

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
BONDS															
US Governments															
United States															
312924-H5-5	Freddie Mac 4.900% 12/27/05 US\$ Cost = 500,000	12/27/2002	Call 100.0000		500,000	500,000	500,000	500,000				.0		24,500	
3136F1-BU-3	Fannie Mae 4.760% 12/20/05 US\$ Cost = 499,219	12/20/2002	Call 100.0000		500,000	500,000	499,219	499,216	.184			.600	.600	23,800	
36217L-FH-4	GNMA Pool #0196468 10.000% 11/15/04 US\$ Cost = 37,922	12/01/2002	Paydown		36,729	36,729	37,922	36,914	(186)			.0		1,771	
36218B-FW-4	GNMA Pool #0217172 8.000% 04/15/02 US\$ Cost = 3,699	03/01/2002	Paydown		3,828	3,828	3,699	3,810	18			.0		58	
36218M-CP-6	GNMA Pool #0226078 9.000% 10/15/02 US\$ Cost = 779	08/01/2002	Paydown		790	790	779	787	.4			.0		29	
36218S-SV-3	GNMA Pool #0231032 9.000% 07/15/17 US\$ Cost = 3,857	12/01/2002	Paydown		3,883	3,883	3,857	3,857	26			.0		127	
36220E-5X-1	GNMA Pool #0276362 9.500% 09/15/04 US\$ Cost = 4,874	12/01/2002	Paydown		4,755	4,755	4,874	4,787	(32)			.0		215	
36220N-VU-8	GNMA Pool #0283327 9.000% 12/15/19 US\$ Cost = 17,885	12/01/2002	Paydown		17,877	17,877	17,885	17,880	(3)			.0		703	
36220Y-KL-6	GNMA Pool #0291999 9.000% 10/15/05 US\$ Cost = 19,361	12/01/2002	Paydown		19,294	19,294	19,361	19,280	14			.0		1,023	
912827-2P-6	U S Treasury Note 6.625% 03/31/02 US\$ Cost = 1,494,375	03/31/2002	Maturity		1,500,000	1,500,000	1,494,375	1,499,267	.733			.0		49,688	
912827-5F-5	U S Treasury 5.250% 05/15/04 US\$ Cost = 969,219	09/18/2002	Legg Mason		1,054,688	1,000,000	969,219	982,489	4,996			.67,202	.67,202	44,368	
912827-F4-9	U S Treasury Note 7.500% 05/15/02 US\$ Cost = 2,777,930	05/15/2002	Maturity		2,750,000	2,750,000	2,777,930	2,750,738	(738)			.0		103,125	
912827-G5-5	U S Treasury Note 6.375% 08/15/02 US\$ Cost = 3,011,727	08/15/2002	Maturity		3,050,000	3,050,000	3,011,727	3,046,486	3,514			.0		194,438	
Total United States					9,441,844	9,387,157	9,340,845	9,365,511	8,531	0	0	67,802	67,802	443,845	XXX
0399996 - Bonds - U.S. Government					9,441,844	9,387,157	9,340,845	9,365,511	8,531	0	0	67,802	67,802	443,845	XXX
0399999 - Bonds - U.S. Governments					9,441,844	9,387,157	9,340,845	9,365,511	8,531	0	0	67,802	67,802	443,845	XXX
Special Revenue & Assessment															
United States															
United States															
312907-M6-2	FHLMC 1171- K 8.000% 11/15/06 US\$ Cost = 1,978	09/15/2002	Call 100.0000		2,000	2,000	1,978	1,986				.13	.13	.80	
312907-M6-2	FHLMC 1171- K 8.000% 11/15/06 US\$ Cost = 989	07/01/2002	Paydown		1,000	1,000	989	993	.7			.0		47	
312911-T8-3	FHLMC 1369- H 6.500% 09/15/07 US\$ Cost = 664,731	12/01/2002	Paydown		688,840	688,840	664,731	680,629	8,211			.0		22,596	
312912-KD-9	FHLMC 1385-H 6.500% 08/15/07 US\$ Cost = 567,701	12/01/2002	Paydown		577,836	577,836	567,701	571,916	5,920			.0		19,130	
312912-SJ-8	FHLMC 1393-EB 6.500% 12/15/06 US\$ Cost = 63,914	12/01/2002	Paydown		65,156	65,156	63,914	64,347	809			.0		4,235	
312913-4Q-6	FHLMC 1449 H 7.000% 12/15/07 US\$ Cost = 550,569	12/01/2002	Paydown		558,421	558,421	550,569	553,062	5,360			.0		19,974	
312914-M6-8	FHLMC 1477 G 7.000% 02/15/21 US\$ Cost = 760,612	12/01/2002	Paydown		764,434	764,434	760,612	761,316	3,118			.0		30,571	
312915-DN-8	FHLMC 1490- PH 6.250% 04/15/08 US\$ Cost = 601,488	12/01/2002	Paydown		609,584	609,584	601,488	604,411	5,174			.0		22,478	
3133MC-MC-6	Federal Home Loan Bank US\$ Cost = 1,000,000	12/27/2002	Call 100.0000		1,000,000	1,000,000	1,000,000	1,000,000				.0		65,000	
3133MD-UP-6	Federal Home Loan Bank US\$ Cost = 1,000,000	09/27/2002	Call 100.0000		1,000,000	1,000,000	1,000,000	1,000,000				.0		55,500	
3133MJ-2A-7	Federal Home Loan Bank US\$ Cost = 991,180	09/18/2002	Salomon Smith Barney (Bonds)		1,027,510	1,000,000	991,180	991,289	2,169			.34,053	.34,053	34,740	

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
3133MJ-4M-9	Federal Home Loan Bank 4.180% 04/25/05 US\$ Cost = 989,880	07/25/2002	Call 100.0000		1,000,000	1,000,000	989,880	989,887	1,611			8,502	8,502	31,350	
3133T3-DF-2	FHLMC 1647- PG 6.000% 08/15/07 US\$ Cost = 827,761	10/01/2002	Paydown		902,345	902,345	827,761	889,270	13,075				0	23,304	
3133T3-TB-4	FHLMC 1658 GB 7.000% 08/15/05 US\$ Cost = 460,603	12/01/2002	Paydown		441,693	441,693	460,603	459,123	(17,430)				0	16,926	
3133T4-BX-3	FHLMC-GNMA 1687 J 6.500% 02/15/09 US\$ Cost = 12,548	12/01/2002	Paydown		12,878	12,878	12,548	12,654	223				0	837	
3133T6-QQ-7	FHLMC 1808-A 5.000% 10/15/07 US\$ Cost = 344,867	12/01/2002	Paydown		367,522	367,522	344,867	349,716	17,806				0	9,661	
3133TC-DZ-8	FHLMC 2013 PA 5.500% 09/15/11 US\$ Cost = 262,451	12/01/2002	Paydown		268,749	268,749	262,451	265,432	3,317				0	12,491	
3133TD-AM-8	FHLMC 2039-PC 6.000% 05/15/09 US\$ Cost = 971,406	12/01/2002	Paydown		1,000,000	1,000,000	971,406	982,245	17,755				0	54,686	
3133TE-BA-1	FHLMC 2063- PJ 6.000% 12/15/08 US\$ Cost = 489,496	12/01/2002	Paydown		488,885	488,885	489,496	488,382	503				0	16,988	
3133TR-5M-3	FHLMC 2280-VA 6.000% 06/15/07 US\$ Cost = 98,459	12/01/2002	Paydown		96,692	96,692	98,459	98,313	(1,621)				0	3,171	
31358T-TB-5	FNMA 1993-014- A 6.000% 02/25/08 US\$ Cost = 133,656	12/01/2002	Paydown		134,539	134,539	133,656	133,751	788				0	4,032	
31358U-FW-1	FNMA 1993-038- K 6.750% 08/25/21 US\$ Cost = 804,710	12/01/2002	Paydown		815,154	815,154	804,710	809,261	5,893				0	30,268	
31359A-EG-0	FNMA 1993-93 G 6.750% 05/25/08 US\$ Cost = 256,570	12/01/2002	Paydown		255,253	255,253	256,570	255,958	(705)				0	11,366	
31359E-UP-4	FNMA 1993-191- G 6.000% 10/25/08 US\$ Cost = 746,161	09/01/2002	Paydown		754,651	754,651	746,161	749,706	4,945				0	17,211	
31359F-3Z-9	FNMA 1994-001- N 6.500% 07/25/13 US\$ Cost = 202,488	12/01/2002	Paydown		201,763	201,763	202,488	201,686	76				0	7,192	
31359G-XA-9	FNMA 1994-31 VC 6.000% 11/25/02 US\$ Cost = 578,551	11/01/2002	Paydown		591,301	591,301	578,551	585,740	5,561				0	17,896	
31359H-P8-1	FNMA 1994-606- PE 7.250% 01/17/21 US\$ Cost = 407,489	08/01/2002	Paydown		419,551	419,551	407,489	415,398	4,153				0	9,386	
31359K-5E-3	FNMA 1996-53 K 6.500% 12/18/11 US\$ Cost = 435,480	12/01/2002	Paydown		439,601	439,601	435,480	435,859	3,742				0	17,828	
31359N-AR-2	FNMA 1996-64 PK 6.500% 05/18/11 US\$ Cost = 697,968	12/01/2002	Paydown		706,467	706,467	697,968	699,315	7,152				0	29,435	
Total United State					15,191,827	15,164,317	14,923,706	15,051,646	97,613	0	0	42,568	42,568	588,376	XXX
Total United States					15,191,827	15,164,317	14,923,706	15,051,646	97,613	0	0	42,568	42,568	588,376	XXX
3199996 - Bonds - Special Revenues - United States					15,191,827	15,164,317	14,923,706	15,051,646	97,613	0	0	42,568	42,568	588,376	XXX
3199997 - Bonds - Special Revenues - Canada					0	0	0	0	0	0	0	0	0	0	XXX
3199998 - Bonds - Special Revenues - Other Countries					0	0	0	0	0	0	0	0	0	0	XXX
3199999 - Bonds - Special Revenues					15,191,827	15,164,317	14,923,706	15,051,646	97,613	0	0	42,568	42,568	588,376	XXX
Industrial & Miscellaneous United States															
066050-BY-0	Bankamerica 6.850% 03/01/03 Corporation US\$ Cost = 500,675	09/17/2002	Legg Mason		510,555	500,000	500,675	500,046	(56)			10,565	10,565	36,058	
073902-BJ-6	Bear Stearns Co Inc. 6.200% 03/30/03 US\$ Cost = 1,997,580	09/17/2002	Legg Mason		2,040,220	2,000,000	1,997,580	1,999,162	528			40,530	40,530	120,556	
08172M-DG-8	Beneficial Corp MTN 6.270% 01/09/02 US\$ Cost = 966,910	01/09/2002	Maturity		1,000,000	1,000,000	966,910	999,811	189				0	4,180	
143658-AE-2	Carnival Corp 6.150% 10/01/03 US\$ Cost = 221,410	09/17/2002	Salomon Smith Barney (Bonds)		253,125	250,000	221,410	242,861	2,832			7,432	7,432	14,905	
16161A-BS-6	Chase Manhattan Corp 6.375% 04/01/08 US\$ Cost = 1,015,500	02/22/2002	Craigie (Bonds)		1,013,900	1,000,000	1,015,500	1,013,994	(245)			150	150	25,854	
263534-BE-8	Dupont El De Nemours 6.500% 09/01/02 Co US\$ Cost = 1,016,480	09/01/2002	Maturity		1,000,000	1,000,000	1,016,480	1,002,731	(2,731)				0	65,000	

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	(Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year
302289-AP-8	Exxon Capital Corp 6.625% 08/15/02 US\$ Cost = 104,200	..08/15/2002	Maturity.....		.....100,000	.....100,000	.....104,200	.....100,351	.....(351)				.....0	.....6,625	
319963-AE-4	First Data Corp. 4.700% 11/01/06 US\$ Cost = 488,165	..09/17/2002	Legg Mason.....		.....517,930	.....500,000	.....488,165	.....488,347	.....1,551			.....28,032	.....28,032	.....20,367	
428040-AU-3	Hertz Corp 7.625% 08/01/02 US\$ Cost = 1,005,950	..08/01/2002	Maturity.....		.....1,000,000	.....1,000,000	.....1,005,950	.....1,001,671	.....(1,671)				.....0	.....76,250	
432848-AF-6	Hilton Hotels Corp 7.700% 07/15/02 US\$ Cost = 1,252,488	..07/15/2002	Maturity.....		.....1,250,000	.....1,250,000	.....1,252,488	.....1,250,161	.....(161)				.....0	.....96,250	
449909-AC-4	ICI Wilmington 7.500% 01/15/02 US\$ Cost = 1,517,040	..01/15/2002	Maturity.....		.....1,500,000	.....1,500,000	.....1,517,040	.....1,499,981	.....19				.....0	.....56,250	
638585-AD-1	Bankamerica Corp 6.875% 02/15/05 US\$ Cost = 248,438	..09/17/2002	Legg Mason.....		.....271,860	.....250,000	.....248,438	.....249,440	.....117			.....22,303	.....22,303	.....18,859	
669383-DJ-7	Wells Fargo & Co 6.625% 07/15/04 Norwest Finl US\$ Cost = 990,880	..09/17/2002	Legg Mason.....		.....1,070,840	.....1,000,000	.....990,880	.....994,632	.....1,330			.....74,878	.....74,878	.....78,212	
79549B-CH-8	Salomon Smith Barney 7.375% 05/15/07 US\$ Cost = 1,601,130	..09/17/2002	Salomon Smith Barney (Bonds).....		.....1,701,435	.....1,500,000	.....1,601,130	.....1,593,377	.....(10,890)			.....118,948	.....118,948	.....93,724	
913017-BE-8	United Technologies 4.875% 11/01/06 Corp US\$ Cost = 507,795	..09/17/2002	Vining Sparks.....		.....523,670	.....500,000	.....507,795	.....507,596	.....(1,023)			.....17,097	.....17,097	.....21,938	
Total United States					13,753,535	13,350,000	13,434,640	13,444,161	(10,563)	0	0	319,937	319,937	735,026	XXX
4599996 - Bonds - Industrial and Misc - United States					13,753,535	13,350,000	13,434,640	13,444,161	(10,563)	0	0	319,937	319,937	735,026	XXX
4599997 - Bonds - Industrial and Misc - Canada					0	0	0	0	0	0	0	0	0	0	XXX
4599998 - Bonds - Industrial and Misc - Other Countries					0	0	0	0	0	0	0	0	0	0	XXX
4599999 - Bonds - Industrial and Miscellaneous					13,753,535	13,350,000	13,434,640	13,444,161	(10,563)	0	0	319,937	319,937	735,026	XXX
6099997 - Bonds - Part 4					38,387,206	37,901,474	37,699,191	37,861,318	95,582	0	0	430,307	430,307	1,767,248	XXX
6099998 - Bonds - Part 5					2,549,624	2,515,939	2,491,627	2,494,035	2,408	0	0	55,588	55,588	77,434	XXX
6099999 - Total - Bonds					40,936,830	40,417,412	40,190,818	40,355,353	97,990	0	0	485,895	485,895	1,844,682	XXX
6599998 - Preferred Stocks - Part 5					0	XXX	0	0	0	0	0	0	0	XXX	0
6599999 - Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	XXX	0
COMMON STOCK															
Public Utilities (unaffiliated)															
United States															
78387G-10-3	SBC Communications Inc. Common Stock US\$ Cost = 59,037	..06/12/2002	Bear Stearns.....		.....3,948,000	.....127,398	.....59,037	.....154,643	.....(95,607)			.....68,362	.....68,362		.....2,078
Total United States					127,398	XXX	59,037	154,643	(95,607)	0	0	68,362	68,362	XXX	2,078
6699999 - Common Stocks - Public Utilities					127,398	XXX	59,037	154,643	(95,607)	0	0	68,362	68,362	XXX	2,078
Banks, Trust & Insurance Companies															
United States															
026874-10-7	American International Group Common Stock US\$ Cost = 93,800	..06/12/2002	Bear Stearns.....		.....2,895,000	.....185,072	.....93,800	.....229,863	.....(136,063)			.....91,272	.....91,272		.....243
395384-10-0	GreenPoint Financial Corporati Common Stock US\$ Cost = 220,220	..09/17/2002	Instinet Corp.....		.....6,000,000	.....264,232	.....220,220	.....214,500	.....5,720			.....44,012	.....44,012		.....4,500
464287-80-4	ISHARES TRUST S&P SM-CAP 600 US\$ Cost = 998,662	..06/12/2002	Bear Stearns.....		.....8,900,000	.....1,019,731	.....998,662	.....1,018,160	.....(19,498)			.....21,070	.....21,070		.....968
58551A-10-8	Mellon Financial Corp. Common Stock US\$ Cost = 185,387	..01/10/2002	Instinet Corp.....		.....5,500,000	.....221,742	.....185,387	.....206,910	.....(21,523)			.....36,355	.....36,355		
939322-10-3	Washington Mutual Inc. Common Stock US\$ Cost = 201,092	..06/12/2002	Bear Stearns.....		.....6,450,000	.....240,965	.....201,092	.....210,915	.....(9,823)			.....39,873	.....39,873		.....3,290
Total United States					1,931,742	XXX	1,699,161	1,880,348	(181,187)	0	0	232,580	232,580	XXX	9,001
6799999 - Common Stocks - Banks, Trust and Insurance Companies					1,931,742	XXX	1,699,161	1,880,348	(181,187)	0	0	232,580	232,580	XXX	9,001
Industrial & Miscellaneous															
United States															
012653-10-1	Albemarle Corp. Common Stock US\$ Cost = 247,269	..09/17/2002	Instinet Corp.....		.....12,000,000	.....347,630	.....247,269	.....288,000	.....(40,731)			.....100,361	.....100,361		.....6,360
035229-10-3	Anheuser-Busch Companies Inc. Common Stock US\$ Cost = 232,454	..06/12/2002	Bear Stearns.....		.....6,000,000	.....312,291	.....232,454	.....271,260	.....(38,806)			.....79,836	.....79,836		.....2,160
053611-10-9	Avery Dennison Corp Common Stock US\$ Cost = 185,970	..06/12/2002	Bear Stearns.....		.....5,000,000	.....312,241	.....185,970	.....282,650	.....(96,681)			.....126,271	.....126,271		.....3,300

E12.3

E12.3

E12.3

E12.3

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies								
1	2	3	4	5	6	7	Stock of Such Company Owned by Insurer on Statement Date	
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	NAIC Company Code or Alien Insurer Identification Number	NAIC Valuation Method (See SVO Purposes and Procedures manual)	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	8 Number of Shares	9 % of Outstanding
NONE								
1799999 Totals							XXX	XXX

- | | |
|---|----------|
| 1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein:..... | \$ |
| 2. Total amount of intangible assets nonadmitted..... | \$ |

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	5	
CUSIP Identification	Name of Lower-tier Company	Name of Company Listed in Section 1 Which Controls Lower-tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 6, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
				Number of Shares	% of Outstanding
NONE					
0399999 Total				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	3	4	Interest		7	8	9	10	11	12	Interest		15	16	17
				5	6							13	14			
CUSIP Identification	Description	Date Acquired	Name of Vendor	Rate of	How Paid	Maturity Date	Book/Adjusted Carrying Value	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Par Value	Actual Cost	Amount Due and Accrued Dec. 31 of Current Year on Bonds Not in Default	Gross Amount Received	Paid for Accrued Interest	NAIC Design- nation	Effective Rate of Interest
Class One Money Market Mutual Funds																
996085-25-4	Dreyfus Cash Mgmt Fund	12/30/2002	Mellon	1.720	Mo	12/31/2003	37,477,083			0	37,477,083		32,787		1	1.860
7899999 - Class One Money Market Mutual Funds							37,477,083	0	0	XXX	37,477,083	0	32,787	0	XXX	XXX
Other Short Term Invested Asset																
996087-09-4	BSDT-Late Money Deposit	01/01/3000	Mellon	1.000	Mo	01/01/3000				0			35		12	1.000
7999999 - Total - Other							0	0	0	XXX	0	0	35	0	XXX	XXX
8099999 Totals							37,477,083	(a)	0	0	XXX	37,477,083	0	32,822	0	XXX

(a) Includes \$other than accrual of discount and amortization of premium.

Schedule DB - Part A - Section 1
NONE

Schedule DB - Part A - Section 2
NONE

Schedule DB - Part A - Section 3
NONE

Schedule DB - Part B - Section 1
NONE

Schedule DB - Part B - Section 2
NONE

Schedule DB - Part B - Section 3
NONE

Schedule DB - Part C - Section 1
NONE

Schedule DB - Part C - Section 2
NONE

Schedule DB - Part C - Section 3
NONE

Schedule DB - Part D - Section 1
NONE

Schedule DB - Part D - Section 2
NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE

Schedule DM

NONE

Schedule E - Part 1

NONE

SCHEDULE E - PART 2 - SPECIAL DEPOSITS

(a) Including \$ cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

Due April 1

FOR THE YEAR ENDED DECEMBER 31, 2002

OF The (Name) John Deere Health Plan, Inc.
Address (City, State and Zip Code) Moline, IL 61265
NAIC Group Code 0219 NAIC Company Code 95378 Employer's ID Number 363379945

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by stating the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments as shown on the Summary Investment Schedule. All reporting entities must answer interrogatories 1, 2, 3, 4, 11 and, if applicable 20 through 24. Answer each of interrogatories 5 through 19 (except 11) only if the reporting entity's aggregate holding in the gross investment category addressed in that interrogatory equals or exceeds 2.5% of the reporting entity's total admitted assets. For Life, Health and Fraternal blanks, responses are to exclude Separate Accounts. For Property and Casualty blank, responses are to exclude Protected Cell Accounts.

- 1. State the reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$ 184,819,373
2. State by investment category the 10 largest exposures to a single issuer/borrower/investment, excluding U.S. government, U.S. government agency securities and those U.S. Government money market funds listed in the Appendix to the SVO Purposes and Procedures Manual as exempt, property occupied by the company and policy loans.

	1	2	3	
	Investment Category	Amount	Percentage of Total Admitted Assets	
2.01	Bank One Corporation	\$ 2,013,818	1.1	%
2.02	General Electric Capital Corp	\$ 1,836,243	1.0	%
2.03	Comerica Inc	\$ 1,793,811	1.0	%
2.04	Coco-Cola Enterprises	\$ 1,658,724	0.9	%
2.05	Wal-Mart Stores Inc	\$ 1,550,807	0.8	%
2.06	Jackson National Life	\$ 1,503,238	0.8	%
2.07	Texaco Capital Inc	\$ 1,288,473	0.7	%
2.08	Pitney Bowes Inc	\$ 1,242,981	0.7	%
2.09	Amgen Inc	\$ 1,020,947	0.6	%
2.10	International Business Machines	\$ 1,017,226	0.6	%

- 3. State the amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

	Bonds	1	2		Preferred Stocks	3	4
3.01	NAIC-1	\$ 120,095,941	65.0	%	3.07	P/RP-1	\$ 0 0.0 %
3.02	NAIC-2	\$ 5,081,551	2.7	%	3.08	P/RP-2	\$ 0 0.0 %
3.03	NAIC-3	\$ 985,584	0.5	%	3.09	P/RP-3	\$ 0 0.0 %
3.04	NAIC-4	\$ 0	0.0	%	3.10	P/RP-4	\$ 0 0.0 %
3.05	NAIC-5	\$ 0	0.0	%	3.11	P/RP-5	\$ 0 0.0 %
3.06	NAIC-6	\$ 0	0.0	%	3.12	P/RP-6	\$ 0 0.0 %

- 4. State the amounts and percentages of the reporting entity's total admitted assets held in foreign investments (regardless of whether there is any foreign currency exposure) and unhedged foreign currency exposure (defined as the statement value of investments denominated in foreign currencies which are not hedged by financial instruments qualifying for hedge accounting as specified in SSAP No. 31 - Derivative Instruments), including (4.01) foreign-currency-denominated investments of \$ 0 (4.02) supporting insurance liabilities denominated in that same foreign currency of \$ 0 and excluding (4.03) Canadian investments and currency exposure of \$ 0

Assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatories 5 - 10. (4.04) Yes [X] No []

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:
6. Two largest foreign investment exposures to a single country, categorized by NAIC sovereign rating:
7. Aggregate unhedged foreign currency exposure.....

\$

1

2

.....0

.....0.0

%
8. Aggregate unhedged foreign currency exposure categorized by the country's NAIC sovereign rating:
9. Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:
10. List the 10 largest non-sovereign (i.e. non-governmental) foreign issues:

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

11.

State the amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure, including Canadian-currency-denominated investments of (11.01) \$0 supporting Canadian-denominated insurance liabilities of (11.02) \$0

Assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 12. (11.03)

Yes ☒ No ☐
12.
- Aggregate Canadian investment exposure.
13.
- State the aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions (defined as investments having restrictions that prevent investments from being sold within 90 days).
- Assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 13.
- Yes ☒ No ☐
14.
- State the aggregate amounts and percentages of admitted assets held in the largest 10 equity interests (including investments in the shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities, and excluding money market and bond mutual funds listed in the Appendix to the SVO Purposes and Procedures Manual as exempt or Class 1).
- Assets held in equity interests less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 14.
- Yes ☐ No ☒

	1	2	3
	Investment Category		
14.01	ISHARES Trust S&P Midcap 400.....	\$792,304	.....0.4 %
14.02	FPL Group Inc. Common Stock.....	\$282,611	.....0.2 %
14.03	PPG Industries Common Stock.....	\$215,645	.....0.1 %
14.04	Pitney Bowes Inc. Common Stock.....	\$215,556	.....0.1 %
14.05	Merck & Co. Inc. Common Stock.....	\$215,118	.....0.1 %
14.06	Fannie Mae Common Stock.....	\$212,289	.....0.1 %
14.07	Allstate Corp Common Stock.....	\$184,950	.....0.1 %
14.08	May Dept Stores Common Stock.....	\$160,860	.....0.1 %
14.09	Schering-Plough Common Stock.....	\$148,740	.....0.1 %
14.10	J.P. Morgan Chase & Co. Common Stock.....	\$144,000	.....0.1 %

15.

State the amounts and percentages of the entity's total admitted assets held in nonaffiliated, privately placed equities (included in other equity securities) and excluding securities eligible for sale under Securities Exchange Commission (SEC) Rule 144a or SEC Rule 144 without volume restrictions.

Assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 15.

Yes ☒ No ☐

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

16. State the aggregate amounts and percentages of the reporting entity's total admitted assets held in general partnership interests (included in other equity securities).
Assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for
interrogatory 16.

Yes ☒ No ☐
17. With respect to mortgage loans reported in Schedule B, state the amounts and percentages of the reporting entity's total admitted assets held.
Mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for
interrogatories 17 and 18.

Yes ☒ No ☐
18. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

19.

State the amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate reported in Schedule A, excluding property occupied by the company.

Assets held in each of the five largest investment in one parcel or group of contiguous parcels of real estate reported in Schedule A less than 2.5% of the reporting entity's total admitted assets, therefore detail not required for interrogatory 19.

Yes ☒ No ☐

20.

State the amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	At Year-end			1st Quarter	At End of Each Quarter		3rd Quarter
	1	2		3	2nd Quarter	4	5
20.01 Securities lending (do not include assets held as collateral for such transactions)	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0
20.02 Repurchase agreements.....	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0
20.03 Reverse repurchase agreements....	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0
20.04 Dollar repurchase agreements.....	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0
20.05 Dollar reverse repurchase agreements.....	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0

21.

State the amounts and percentages indicated below for warrants not attached to other financial instruments, options, caps, and floors:

	Owned			Written		
	1	2		3	4	
21.01 Hedging	\$.....0	.....0.0	%	\$.....0	.....0.0	%
21.02 Income generation	\$.....0	.....0.0	%	\$.....0	.....0.0	%
21.03 Other.....	\$.....0	.....0.0	%	\$.....0	.....0.0	%

22.

State the amounts and percentages indicated below of potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for collars, swaps, and forwards:

	At Year-end			1st Quarter	At End of Each Quarter		3rd Quarter
	1	2		3	2nd Quarter	4	5
22.01 Hedging	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0
22.02 Income generation	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0
22.03 Replications	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0
22.04 Other	\$.....0	.....0.0	%	\$.....0	\$.....0	\$.....0	\$.....0

285.4

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (cont.)

23. State the amounts and percentages indicated below of potential exposure (defined as the amount determined in accordance with the NAIC Annual Statement Instructions) for futures contracts:

		At Year-end		1st Qtr	At End of Each Quarter		3rd Qtr
		1	2	3	2nd Qtr	4	5
23.01	Hedging	\$0	.....0.0 %	\$0	\$0	\$0	\$0
23.02	Income generation	\$0	.....0.0 %	\$0	\$0	\$0	\$0
23.03	Replications	\$0	.....0.0 %	\$0	\$0	\$0	\$0
23.04	Other	\$0	.....0.0 %	\$0	\$0	\$0	\$0

24. State the amounts and percentages of the 10 largest investments included in the Write-ins for Invested Assets category included on the Summary Investment Schedule.

		1	2	3
24.01	Not Applicable.....	\$0	.....0.0 %	
24.02	Not Applicable.....	\$0	.....0.0 %	
24.03	Not Applicable.....	\$0	.....0.0 %	
24.04	Not Applicable.....	\$0	.....0.0 %	
24.05	Not Applicable.....	\$0	.....0.0 %	
24.06	Not Applicable.....	\$0	.....0.0 %	
24.07	Not Applicable.....	\$0	.....0.0 %	
24.08	Not Applicable.....	\$0	.....0.0 %	
24.09	Not Applicable.....	\$0	.....0.0 %	
24.10	Not Applicable.....	\$0	.....0.0 %	



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

LONG-TERM CARE EXPERIENCE REPORTING FORM - A
NATIONWIDE EXPERIENCE
CLAIM EXPERIENCE BY CALENDAR DURATION

NAIC Group Code	(TO BE FILED BY APRIL 1)							NAIC Company Code	
	1	2	3	4	5	6	7	8	9
Calendar Duration	Policy Form	First Year Issued	Earned Premiums by Duration	Incurred and Paid	Reserve for Incurred but Unpaid	Total Incurred Claims	Change in Policy (Active Life) Reserves Over the Experience Period	Anticipated Calendar Duration Loss Percentage	Number of Insured Lives
0									
1	XXX	XXX							
2	XXX	XXX							
3	XXX	XXX							
4	XXX	XXX							
5-9	XXX	XXX							
10+	XXX	XXX							
Total Calendar Year								XXX	

Policy Form - Calendar Year (a) Actual Loss Percentage (Col. 6/Col. 3) ; (b) Anticipated Loss Percentage (see Instruction Form A Item 9) (c) Actual to Anticipated Loss Percentage (a/b)

	1	2	3	4	5	6	7	8	9
0									
1	XXX	XXX							
2	XXX	XXX							
3	XXX	XXX							
4	XXX	XXX							
5-9	XXX	XXX							
10+	XXX	XXX							
Total Calendar Year								XXX	

Policy Form - Calendar Year (a) Actual Loss Percentage (Col. 6/Col. 3) ; (b) Anticipated Loss Percentage (see Instruction Form A Item 9) (c) Actual to Anticipated Loss Percentage (a/b)

	1	2	3	4	5	6	7	8	9
0									
1	XXX	XXX							
2	XXX	XXX							
3	XXX	XXX							
4	XXX	XXX							
5-9	XXX	XXX							
10+	XXX	XXX							
Total Calendar Year								XXX	

Policy Form - Calendar Year (a) Actual Loss Percentage (Col. 6/Col. 3) ; (b) Anticipated Loss Percentage (see Instruction Form A Item 9) (c) Actual to Anticipated Loss Percentage (a/b)

	3	4	5	6	7	8	9
1. Individual					XXX	XXX	XXX
2. Group direct response					XXX	XXX	XXX
3. Other group					XXX	XXX	XXX
4. Total (sum Lines 1 to 3)					XXX	XXX	XXX

NONE



SUPPLEMENTAL EXHIBIT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

LONG-TERM CARE EXPERIENCE REPORTING FORM - B
NATIONWIDE EXPERIENCE
CUMULATIVE CLAIM EXPERIENCE

NAIC Group Code		(TO BE FILED BY APRIL 1)						NAIC Company Code	
Calendar Duration	1 Policy Form	2 First Year Issued	3 Actual Earned Premiums	4 Actual Incurred Claims	5 Anticipated Earned Premium	6 Anticipated Incurred Claim	7 Policy Reserves	8 Number of Insured Lives	
0									
1	XXX	XXX							
2	XXX	XXX							
3	XXX	XXX							
4	XXX	XXX							
5-9	XXX	XXX							
10+	XXX	XXX							
Cumulative Total					XXX	XXX	XXX	XXX	

Policy Form - Cumulative (a) Actual Loss Percentage (Col. 4/Col. 3) ; (b) Anticipated Loss Percentage (see Instruction Form B Items 9 and 10) (c) Actual to Anticipated Loss Percentage (a/b)

	1	2	3	4	5	6	7	8	
0									
1	XXX	XXX							
2	XXX	XXX							
3	XXX	XXX							
4	XXX	XXX							
5-9	XXX	XXX							
10+	XXX	XXX							
Cumulative Total					XXX	XXX	XXX	XXX	

Policy Form - Cumulative (a) Actual Loss Percentage (Col. 4/Col. 3) ; (b) Anticipated Loss Percentage (see Instruction Form B Items 9 and 10) (c) Actual to Anticipated Loss Percentage (a/b)

	1	2	3	4	5	6	7	8	
0									
1	XXX	XXX							
2	XXX	XXX							
3	XXX	XXX							
4	XXX	XXX							
5-9	XXX	XXX							
10+	XXX	XXX							
Cumulative Total					XXX	XXX	XXX	XXX	

Policy Form - Cumulative (a) Actual Loss Percentage (Col. 4/Col. 3) ; (b) Anticipated Loss Percentage (see Instruction Form B Items 9 and 10) (c) Actual to Anticipated Loss Percentage (a/b)

	3	4	5	6	7	8
1. Individual			XXX	XXX	XXX	XXX
2. Group direct response			XXX	XXX	XXX	XXX
3. Other group			XXX	XXX	XXX	XXX
4. Total (sum Lines 1 to 3)			XXX	XXX	XXX	XXX
5. Actual total reported experience through statement year			XXX	XXX	XXX	XXX
6. Actual total reported experience through prior year			XXX	XXX	XXX	XXX
7. Calendar year reported experience (Lines 5 minus 6)			XXX	XXX	XXX	XXX

Note: a. Was experience prior to 1991 used in preparing this form? Yes [] No []
b. If yes, indicate the calendar years that were included:

NONE



NAIC Code: 95378

Company: John Deere Health Plan, Inc.

SVO Compliance Certification

The undersigned is an officer of the insurer responsible for reporting investments to the SVO and/or with performing all filings with appropriate state regulatory officials and the NAIC and is, therefore, required to be familiar with the requirements of such filings. The undersigned officer certifies that to the best of my knowledge, information, and belief, all prices or NAIC Designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that to the best of my knowledge, information, and belief, since the last filing of a quarterly or annual statement:

1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
2. Any newly purchased securities now identified with a Z suffix shall be submitted to the SVO within 120 days of purchase.
3. All necessary information on securities which have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
4. All material issuer events (as defined below) have been reported to the SVO.

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware, which by its nature would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the US Bankruptcy Code.
- b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment.
- c. Any change in the maturity of a security.
- d. Changes in the lender's collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise.
- e. Events of a like character or of a like effect, which would be considered material to an investment professional.
- f. Exceptions

Signature of Investment Officer

James A. Cousins

Senior Vice President, Chief Financial Officer &
Treasurer

Name of Investment Officer

Title of Signatory

02/21/2003

Date

Attach certificate to each annual statement.

Statement of Actuarial Opinion

Statutory Annual Statement of John Deere Health Plan, Inc.

As of and for the Year Ended December 31, 2002

I, Steven N. Wander, am a Member of the American Academy of Actuaries and am associated with the firm of Deloitte & Touche. My firm has been retained and I have been assigned to review calculations with regard to loss reserves, actuarial liabilities, and related items made by John Deere Health Plan, Inc. I meet the Academy qualifications for rendering this statement of actuarial opinion and am familiar with the valuation requirements applicable to HMOs.

I have examined the actuarial assumptions and actuarial methods used in determining the loss reserves, actuarial liabilities and related actuarial items as listed below, as shown in the annual statement of the organization, as prepared for state regulatory officials, as of December 31, 2002.

b. Claims Payable (Page 3, Line 1)	\$ 82,425,277
c. Accrued Medical Incentive Pool and bonus payments (Page 3, Line 2)	3,088,875
d. Unpaid claims adjustment expenses (Page 3, Line 3)	0
e. Aggregate policy reserves (Page 3, Line 4)	0
f. Aggregate claim reserves (Page 3, Line 5)	0
g. Experience related refunds	0
h. Any actuarial liabilities included in Page 3, Line 17	0

I have relied upon Pam Jennings, Manager of HMO and Statutory Accounting, as to the accuracy and completeness of listings and summaries of policies and contracts inforce, asset records and other information underlying the loss reserves and related actuarial items examined (see attached Representation Statement). In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such tests of actuarial calculations, as I considered necessary in the circumstances.

My examination considered the need for cash flow testing, but none was performed because such tests were determined to be unnecessary; the cash flows associated with the Company's products and investments are believed to be relatively insensitive to influences such as changes in economic conditions.

John Deere Health Plan, Inc. has contracts with several individual IPAs under which the IPAs assume virtually full financial responsibility for physician services, as defined in the contracts. Although the IPAs are capitated for physician services, the funds make claim payments on a fee-for-service basis, subject to a withhold. Therefore, the financial condition of the IPAs can generally be defined as capitation minus net claim payments minus claims payable. A positive fund balance can be used for periodic withhold distributions. I have reviewed the financial position of the IPAs. The IPA financial

data provided to me indicates that there are no current situations which may have a material impact on the Company's financial condition.


In my opinion, the amounts carried in the balance sheet on account of the actuarial items identified above:

- ☐ Are in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- ☐ Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared;
- ☐ Meet the requirements of the laws of the State of Illinois;
- ☐ Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements;
- ☐ Are computed on the basis of actuarial assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end. The Underwriting and Investment Exhibit, Part 2B was prepared consistent with *Section 3.6, Follow-up Studies* contained in *Actuarial Standards of Practice No. 5, Incurred Health Claim Liabilities* adopted by the Actuarial Standards Board of the American Academy of Actuaries in December 2000.
- ☐ Include appropriate provision for all actuarial items which ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

A confidential actuarial memorandum describing the procedures followed, analyses performed and results obtained in support of this statement of opinion has been furnished to the Company and is available for examination by State insurance department officials.

This statement of opinion was prepared for, and is only to be relied upon by, the organization and the insurance departments of states where the opinion is filed.



Steven N. Wander, FSA, MAAA
Principal
Deloitte & Touche, LLP
400 One Financial Plaza
120 South Sixth Street
Minneapolis, MN 55402-1844
(612) 397-4312

2/25/2003

Date

John Deere Health Plan, Inc.

***Statutory Basis Financial Statements and
Supplemental Schedules for the Years Ended
December 31, 2002 and 2001 and Independent
Auditors' Report***

Deloitte & Touche LLP
Two Prudential Plaza
180 North Stetson Avenue
Chicago, Illinois 60601-6779

Tel: (312) 946-3000
Fax: (312) 946-2600
www.us.deloitte.com



INDEPENDENT AUDITORS' REPORT

To the Stockholder of John Deere Health Plan, Inc.:

We have audited the accompanying statutory basis statements of admitted assets, liabilities, capital and surplus of John Deere Health Plan, Inc. (the "Plan") as of December 31, 2002 and 2001, and the related statutory basis statements of revenue and expenses, of capital and surplus, and of cash flows for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1 to the financial statements, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Department of Insurance of the State of Illinois, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the admitted assets, liabilities, capital and surplus of John Deere Health Plan, Inc. at December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the board of directors and the management of the Plan and for filing with state insurance departments to whose jurisdiction the Plan is subject and the Department of Health and Human Services Centers for Medicare & Medicaid Services and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

February 21, 2003

JOHN DEERE HEALTH PLAN, INC.

STATUTORY BASIS - STATEMENTS OF ADMITTED ASSETS, LIABILITIES, CAPITAL AND SURPLUS DECEMBER 31, 2002 AND 2001

	2002	2001
ADMITTED ASSETS:		
Bonds	\$ 126,163,076	\$ 136,575,085
Common stocks	2,648,019	10,104,524
Cash and short-term investments	36,963,870	27,915,579
Accident and health premiums due and unpaid	6,281,673	5,440,852
Health care receivables	1,331	288,467
Amounts recoverable from reinsurers		40,218
Investment income due and accrued	1,486,928	1,773,679
Aggregate write-ins for other than invested assets	11,274,476	6,239,072
	<u>\$ 184,819,373</u>	<u>\$ 188,377,476</u>
TOTAL ADMITTED ASSETS		
LIABILITIES:		
Claims unpaid	\$ 82,425,277	\$ 90,243,713
Accrued medical incentive pool	3,088,875	5,637,109
Unearned premiums	14,943,580	9,642,850
Accounts payable	3,840,382	4,419,591
Federal income tax payable	571,421	3,869,381
Amounts due to affiliates	273,522	
Aggregate write-ins for other liabilities	126,433	271,322
Total liabilities	<u>105,269,490</u>	<u>114,083,966</u>
CAPITAL AND SURPLUS:		
Common capital stock	611,000	611,000
Gross paid-in and contributed surplus	22,440,000	22,440,000
Aggregate write-ins for other than special surplus funds	1,500,000	1,500,000
Unassigned funds	54,998,883	49,742,510
Total capital and surplus	<u>79,549,883</u>	<u>74,293,510</u>
TOTAL LIABILITIES, AND CAPITAL AND SURPLUS	<u>\$ 184,819,373</u>	<u>\$ 188,377,476</u>

See notes to statutory basis financial statements.

JOHN DEERE HEALTH PLAN, INC.

STATUTORY BASIS - STATEMENTS OF REVENUE AND EXPENSES YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
REVENUES:		
Premiums	\$ 586,120,667	\$ 572,097,276
Aggregate write-ins for other health care related revenues	277,576	145,283
Total revenues	<u>586,398,243</u>	<u>572,242,559</u>
EXPENSES:		
Medical and hospital:		
Hospital/medical benefits and prescription drugs	494,431,894	478,474,353
Other professional services	13,927,421	14,996,977
Emergency room and out-of-area	16,318,107	15,436,107
Incentive pool and withhold adjustments	(18,332,431)	(14,735,465)
Net reinsurance recoveries	(211,076)	(1,790,904)
Total medical and hospital	506,133,915	492,381,068
Claims adjustment expenses	13,827,360	12,042,335
General administrative expenses	65,236,359	65,858,059
Total underwriting deductions	<u>585,197,634</u>	<u>570,281,462</u>
NET UNDERWRITING GAIN	<u>1,200,609</u>	<u>1,961,097</u>
Net investment income earned	8,805,294	8,609,126
Net realized capital gains	141,187	530,249
Net investment gains	<u>8,946,481</u>	<u>9,139,375</u>
AGGREGATE WRITE-INS FOR OTHER EXPENSES	<u>12,344</u>	<u>2,545</u>
INCOME BEFORE FEDERAL INCOME TAXES	10,134,746	11,097,927
FEDERAL INCOME TAXES INCURRED	<u>3,639,148</u>	<u>3,179,065</u>
NET INCOME	<u>\$ 6,495,598</u>	<u>\$ 7,918,862</u>

See notes to statutory basis financial statements.

JOHN DEERE HEALTH PLAN, INC.

STATUTORY BASIS - STATEMENTS OF CAPITAL AND SURPLUS YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
CAPITAL AND SURPLUS PRIOR REPORTING YEAR	<u>\$ 74,293,510</u>	<u>\$ 70,038,663</u>
Net income	6,495,598	7,918,862
Net unrealized capital gains and losses	(716,707)	(784,759)
Change in nonadmitted assets	224,329	(2,574,575)
Cumulative effect of changes in accounting principles		(155,000)
Aggregate write-ins for gains (losses) in surplus	<u>(746,847)</u>	<u>(149,681)</u>
Net change in capital and surplus	<u>5,256,373</u>	<u>4,254,847</u>
CAPITAL AND SURPLUS END OF REPORTING YEAR	<u>\$ 79,549,883</u>	<u>\$ 74,293,510</u>

See notes to statutory basis financial statements.

JOHN DEERE HEALTH PLAN, INC.

STATUTORY BASIS - STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums and revenues collected net of reinsurance	\$ 590,092,142	\$574,476,279
Claims and claims adjustment expenses	(534,083,573)	(479,217,782)
General administrative expenses paid	(65,815,568)	(65,120,490)
Other underwriting income	277,580	142,739
Total cash from underwriting	(9,529,419)	30,280,746
Net investment income	9,068,198	8,645,134
Other expense	(12,344)	
Federal and foreign income taxes (paid) recovered	(6,937,108)	526,047
Net cash flows from operating activities	(7,410,673)	39,451,927
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investments sold, matured, or repaid:		
Bonds	40,936,830	29,023,470
Stocks	6,977,899	4,424,912
Total investment proceeds	47,914,729	33,448,382
Cost of investments acquired (long-term only):		
Bonds	(30,842,623)	(58,646,403)
Stocks		(4,939,004)
Total investments acquired	(30,842,623)	(63,585,407)
Net cash flows from investing activities	17,072,106	(30,137,025)
CASH FLOWS FROM FINANCING AND MISCELLANEOUS SOURCES:		
Net transfers from (to) affiliates	1,860,595	(7,002,380)
Other applications	(2,473,737)	(6,799,335)
Net cash flows from financing and miscellaneous sources	(613,142)	(13,801,715)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS:		
Net change in cash and short-term investments	9,048,291	(4,486,813)
Beginning of year	27,915,579	32,402,392
End of year	\$ 36,963,870	\$ 27,915,579

See notes to statutory basis financial statements.

JOHN DEERE HEALTH PLAN, INC.

STATUTORY BASIS - NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2002 AND 2001

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business - John Deere Health Plan, Inc. (the "Plan") is a wholly-owned subsidiary of John Deere Health Care, Inc. ("JDHC"), a wholly-owned subsidiary of Deere & Company. Effective June 30, 1999, the Plan changed its name from Heritage National Healthplan, Inc. to John Deere Health Plan, Inc. The plan was incorporated on August 5, 1985 as a Health Maintenance Organization ("HMO"). Operations commenced in July 1986. The Plan was certified as an HMO by the Department of Insurance of the State of Illinois in 1985, by the Iowa Department of Commerce-Division of Insurance in 1986, by the State of Tennessee Department of Commerce and Insurance, the Commonwealth of Virginia Bureau of Insurance, and by the South Carolina Department of Insurance in 1996. As of January 1, 2000, the Plan discontinued operations in the state of South Carolina. The Plan has contracted with physician associations ("Associations"), hospitals and other health care provider organizations to deliver health care services for all enrollees.

The Plan was designated as a Competitive Medical Plan provider by the Department of Health and Human Service Centers for Medicare & Medicaid Services, Department of Health and Human Services ("CMS"), formerly Health Care Financing Administration ("HCFA"), in October 1987. On January 1, 1991, the Plan was designated as a Health Care Prepayment Plan ("HCPP"). On January 1, 1999, the Plan was again designated as a Competitive Medical Plan. Under both contracts with CMS, the Plan has elected to be reimbursed for providing health care to Medicare qualified HMO enrollees on a reasonable cost basis. This method of reimbursement allows the Plan to recover from CMS reasonable health care costs of providing basic Title XVIII Medicare benefits to Medicare enrollees. Supplemental benefits available to Medicare qualified HMO enrollees are provided in return for a supplemental premium collected from employer groups or Medicare eligible individuals.

On June 23, 1997, the Plan was awarded a Medicare Risk contract for twenty county service areas in Tennessee and Virginia. On January 1, 1999, the Plan converted to a Medicare + Choice contract as required by the Balanced Budget Act of 1997. Under the contract, CMS makes a single monthly capitation payment to the Plan for each of its enrollees. The Plan provides for services through an organized delivery system of contracted physicians, hospitals, and ancillary providers. See additional discussions at Note 7.

The Plan participates as a managed care organization under the TennCare program. TennCare is a project authorized through a conditional waiver by CMS that replaced the State of Tennessee's Medicaid program on January 1, 1994. During 2000, the Plan notified the State of Tennessee that it would no longer participate as a managed care organization under the TennCare program as of December 31, 2000. The State of Tennessee exercised its right to keep the Plan in the program under exigency, limiting the risk of financial loss, through June 30, 2001. Effective July 1, 2001, the Plan began participating in the TennCare program under an arrangement that mitigates the risk of financial loss. The contract is effective through December 31, 2003.

Effective July 1, 2002, the State of Tennessee amended its contract with the Plan for an eighteen month stabilization period. From July 1, 2002 through December 31, 2003 under this agreement, the TennCare program operates under an Administration Services Only (“ASO”) arrangement. The Plan received \$5,649,507 in administrative service revenue in 2002 under this arrangement which is recognized as a reduction of general administrative expenses. Total membership at December 31, 2002 under the ASO arrangement is 78,300. See additional discussion in Note 7.

The Plan also participates in the Iowa Medicaid program providing services through an organized delivery system of contracted physicians, hospitals, and ancillary providers. See additional discussions at Note 7.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Recently, federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues. Management believes that the Plan is in substantial compliance with current laws and regulations.

Significant Accounting Policies

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Illinois (“statutory basis”). Effective January 1, 2001, the Insurance Department of the State of Illinois required that insurance companies domiciled in the State of Illinois prepare their financial statements in accordance with the NAIC Accounting Practices and Procedures Manual (the “Manual” or “SSAP”), which differ in certain respects from accounting principles generally accepted in the United States of America (“GAAP”). Major differences between GAAP and statutory basis practices include the reporting of investments in accordance with the Statement of Financial Accounting Standards No. 115 under GAAP and assets that are non-admitted for statutory purposes.

The Plan adopted accounting principles in accordance with the Manual effective January 1, 2001. The accounting changes adopted to conform to the provisions of the Manual are reported as changes in accounting principles. The cumulative effect of the changes in accounting principles has been reported as an adjustment of unassigned surplus at January 1, 2001. The cumulative effect is the difference between the amount of capital and surplus at January 1, 2001, and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. The adoption of the new accounting principles in the Manual had the effect of reducing unassigned surplus at January 1, 2001 by \$155,000.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts subject to change in the near term include claims unpaid, provider risk sharing arrangements, and accruals for loss contracts.

Claims unpaid reflect management's best current estimate of the cost of ultimate resolution of those claims incurred but not reported and/or paid as of the balance sheet date. However, additional facts and circumstances may develop which would affect the precision of the estimate of costs. Those facts and circumstances include, among other things, the ultimate extent and cost of resolving those claims, the resulting impact on risk sharing arrangements, and the amount of insurance recoveries.

Investments - Investments are carried at values prescribed by NAIC. Short-term investments are carried at cost or amortized cost. Bonds, including collateralized mortgage obligations and other structured securities, are carried at amortized cost using the scientific amortization method. Common stocks are carried at the NAIC market value. Loan-backed securities are carried at amortized cost using a retrospective adjustment method.

Aggregate Write-Ins - Certain amounts are required under statutory basis practices to be reported as aggregate write-ins. Included in the following captions are:

- **For other than invested assets** – Receivables from the State of Tennessee for the TennCare program and state income taxes receivable/payable.
- **For other liabilities** – Payables for cost contracts.
- **For other health care related revenues** – Audit recoveries.
- **For other income or expenses** – Out of area conversion costs.

Revenues - Premium revenues are earned ratably over the terms of the contracts. Premiums billed and collected in advance are recorded as premiums received in advance.

Medical and Hospital Expenses - Health Care costs are accrued as services are rendered and include estimates for incurred but not reported claims.

Loss Contracts - Premium contracts are analyzed and losses recognized when it is probable that expected future health care and maintenance costs will exceed premiums.

Reclassifications – Certain 2001 amounts have reclassified to conform with 2002 presentation.

2. INVESTMENTS

Effective August 2001, the Plan began fully investing all available cash on a daily basis in short-term investments. Short-term admitted investment balances at December 31, 2002 and 2001 were \$36,963,870 and \$27,915,579, respectively. A single short-term investment security at December 31, 2002 exceeded the authorized investment threshold resulting in a non-admitted asset of \$513,213 at December 31, 2002. There was no such item at December 31, 2001.

At December 31, 2002 and 2001, long-term investments are summarized as follows:

	2002	2001
Long-term investments:		
Corporate Debt Securities	\$ 51,727,514	\$ 60,775,977
U.S. Government Agency and Debt Securities	74,435,562	75,799,108
Equity Securities	2,648,019	10,104,524
	<u>\$128,811,095</u>	<u>\$146,679,609</u>

NAIC market values for long-term investments with a fixed term and rate under NAIC guidelines as of December 31, 2002 and 2001 were \$128,818,239 and \$138,850,623, respectively.

At December 31, 2002 and 2001, certain long-term investments were held on deposit with trustees as required by Illinois, Tennessee, Iowa, South Carolina, and Virginia insurance regulations.

Loan-Backed Securities – Loan-backed securities are carried at an amortized cost basis. As of December 31, 2002 and 2001, the Plan owned eight and ten loan-backed securities, respectively, that were purchased prior to January 1, 1994 with amortized values of \$1,559,693 and \$3,062,740, respectively. Prepayment assumptions on loan-backed securities are sourced from the Bloomberg twelve-month PSA field. The Plan uses the Bondgege pricing service as the market value source.

The Plan had no non-admitted investment income due and accrued at December 31, 2002 and 2001.

3. INCOME TAXES

Deere & Company and certain subsidiaries, including the Plan, file a consolidated federal income tax return. Deere & Company has a tax allocation agreement, which provides that each subsidiary of the consolidated group pay a current tax liability to, or receive a tax refund from, Deere & Company, computed as if the subsidiary had filed a separate return at the statutory rates. Amounts provided for Federal income tax expense were \$3,639,148 and \$3,179,065 for the years ended December 31, 2002 and 2001, respectively. State income tax expense, which is included in “General Administrative expenses” was \$128,814 and \$109,834 for the years ended December 31, 2002 and 2001, respectively. The effective Federal income tax rate was equal to 35 percent and 29 percent for the years ended December 31, 2002 and 2001, respectively.

The net deferred tax asset in 2002 and 2001 was \$1,468,211 and \$635,294, respectively, and were considered non-admitted assets in both years for statutory financial statement purposes. The Plan had no net deferred tax liabilities in either 2002 or 2001. Activity for the net deferred tax assets is summarized as follows:

	2002	2001
Beginning balance at January 1	\$ 635,294	\$ 138,264
Change in deferral due to:		
Unpaid claims	(44,271)	259,266
Investment valuations	724,975	422,563
Premiums received in advance	(35,000)	(140,000)
Other allocated balances	187,213	(44,799)
Ending balance at December 31	<u>\$ 1,468,211</u>	<u>\$ 635,294</u>

4. RELATED PARTIES

Administrative services including claims processing, broker fees, marketing, quality assurance, financial, accounting, insurance, legal, and data processing, are provided to the Plan by JDHC based on a percentage of premium for each line of business and are reported as administrative expense. Administrative expenses paid to JDHC by the Plan for the years ended December 31, 2002 and 2001 were \$76,323,607 and \$69,729,426, respectively.

The Plan has two separate \$10,000,000 borrowing agreements available from Deere & Company and JDHC, respectively. The facilities bear interest at one-half percent above the 30-day commercial paper rate. The Plan had no advances under the agreements during the years ended December 31, 2002 and 2001.

During 2001, the Plan changed its cash management procedures to be more fully invested on a daily basis. Through this change, the Plan no longer maintains a daily balance within its depository bank account. Rather, all available cash was invested in short-term investments. The daily net cash activity continues to flow through the Plan's depository bank account zero-balancing to a Deere & Company account with a daily entry through an affiliated receivable/payable account. The affiliated receivable/payable account is settled by the Plan on a monthly basis.

There was a \$273,522 due to affiliate balance as of December 31, 2002 and no due to affiliate balance as of December 31, 2001. Amounts due to affiliates as of December 31, 2002 represent an amount due to JDHC, arising from the above transactions and centralized cash management activities.

5. CAPITAL AND SURPLUS

Capital stock consists of common stock at stated value with no par value and no stated dividend rate. One thousand shares are authorized; ten shares are issued and outstanding. The Plan may make an ordinary dividend payment to its shareholder in an amount not to exceed the greater of ten percent of the Plan's capital and surplus or the Plan's net income for the year. For 2002, ten percent of the Plan's capital and surplus totals \$7,954,988 and net income totals \$6,495,598. The portion of unassigned surplus represented or reduced by the change in unrealized capital gains and losses is \$(716,707) and \$(784,759) as of December 31, 2002 and 2001, respectively, and the change in non-admitted asset values is \$224,329 and \$(2,574,575) as of December 31, 2002 and 2001, respectively.

Under the law of the State of Illinois, the Plan is required to provide a contingency reserve based on 2% of the net capitation revenue from risk contracts limited to \$1,500,000. The Plan's accumulated reserve reached \$1,500,000 during 1989 and such reserve has been recorded as a part of capital and surplus. The Plan is also required to maintain minimum capital and surplus of \$300,000. The Plan is required to have risk based capital ("RBC") of \$19,863,863 as of December 31, 2002. The actual capital and surplus as of December 31, 2002 was \$79,594,883.

6. COMMITMENTS, CONTINGENCIES AND LITIGATION

A pending lawsuit against the Plan with an amount in dispute of approximately \$4 million goes to trial in May 2003. The State of Iowa sued certain contractors who provided services for the State's Medicaid program over alleged errors which allegedly resulted in overpayments to the Plan. Those contractors filed a cross-petition against the Plan. The contractors settled with State of Iowa and one now seeks to recoup the bulk of the settlement amount from the Plan. The claim, in equity, is premised on the theory that the Plan was unjustly enriched by the alleged overpayments from the State resulting from the contractor's alleged error. The Plan believes that it has substantial defenses and intends to defend the claim vigorously. The ultimate outcome of the litigation and its effect on the Plan's financial position or results of operations cannot be determined at this time.

Additionally, in the normal course of business, the Plan, from time to time, may become involved in litigation incidental to the business. The Plan believes that it has substantial defenses and intends to defend such actions vigorously. Although it is not possible to predict the outcome of any unresolved legal matters, the Plan does not believe that such matters will have a material adverse effect on its financial position or results of operations.

7. MEDICARE AND MEDICAID

Medicare - On October 1, 1987, the Plan began operations with the CMS to provide part B Medicare services under a Competitive Medical Plan (“CMP”) cost arrangement. In 1991, the Plan replaced the CMP cost arrangement with a Health Care Prepayment Plan (“HCPP”) arrangement. In 1999, the Plan converted the HCPP arrangement to a CMP cost arrangement. For 1999 and 1998, the Plan paid to JDHC an amount approximating estimated actual costs to process claims and administer the Medicare Program. Revenues are based on a budgeted amount reimbursed monthly by CMS and then adjusted to actual based on a year-end cost report. CMS has the option to audit the cost reports filed by the Plan and thus adjustments to recorded amounts may occur based on these audits. Adjustments have been made to settle all cost reports 1998 and prior.

The Plan was awarded a Medicare Risk contract for a twenty county service area in Tennessee and Virginia in June 1997. In 1999, the Plan converted the Medicare Risk contract to a Medicare + Choice contract as required by the Balanced Budget Act of 1997. Under the contract, CMS makes a single monthly capitation payment to the Plan for each of its enrollees. The Plan provides services through an organized delivery system of contracted physicians, hospitals, and ancillary providers. On December 1, 2001, CMS approved the Plan’s application to expand its Medicare + Choice service area adding six counties in Tennessee and three counties in Virginia to the existing service area.

Medicare premium revenue recognized for the years ended December 31, 2002 and 2001, was \$118,398,124 and \$92,692,274, respectively.

Medicaid

TennCare - The Plan participates as a contracted managed care organization (“MCO”) in the TennCare program. TennCare is a project authorized through a conditional waiver by CMS that replaced the State of Tennessee’s Medicaid program on January 1, 1994. Uninsured individuals and Medicaid eligible individuals who enroll in the TennCare program receive prepaid health care through participating MCO’s. The Plan received \$73,440,027 and \$111,155,926 in premium revenue from TennCare in 2002 and 2001, respectively.

Under the TennCare program, MCO’s receive a special supplemental payment for each person identified as having High Cost Chronic Conditions (“HCCC”). Persons in this population are those with certain diagnoses that involve exceptional medical expenditures. The Department of Finance and Administration, Bureau of TennCare, informs the MCO of enrollees eligible under the HCCC service agreement. The amount of the payment is determined in accordance with a formula developed by the Bureau of TennCare, statistics of all MCO’s in the TennCare program, and the availability of funds under this program. Payments to all MCO’s under this arrangement cannot exceed the annual threshold set by the contract. Due to the inability to estimate the supplemental HCCC payments, this revenue is recorded on a cash basis. The Plan received \$86,660 in supplemental HCCC payments in 2001. No such payments were received in 2002.

Total interest paid to TennCare under the ASO arrangement for 2002 was \$93,441. Net gain or loss from the ASO arrangement was \$0. The claim payment volume for 2002 under the ASO arrangement totaled \$65,647,543.

Iowa Medicaid - The Plan accepts a capitated premium to provide medical care for Iowa Medicaid eligible enrollees. Revenues received from Iowa Medicaid were \$54,404,476 and \$52,477,512 for 2002 and 2001, respectively.

8. REINSURANCE

The Plan carried \$1,000,000 reinsurance coverage in excess of an annual deductible of \$500,000 per person from January 1 through December 31, 2002. The Plan did not carry reinsurance coverage for TennCare enrollees during Exigency from January 1, 2001 through June 30, 2001. The reinsurance coverage for TennCare was reinstated for the period of July 1, 2001 through June 30, 2002 with an annual deductible of \$500,000 per person. For Iowa Medicaid, the Plan carried \$1,000,000 reinsurance coverage in excess of an annual deductible of \$250,000 per person for July 1, 2001 through June 30, 2003. For Medicare Risk enrollees, the Plan's current policy with Allianz Life carries \$1,000,000 reinsurance coverage in excess of an annual deductible of \$300,000 per person for the period of September 1, 2002 through August 31, 2003. The previous policy with Reliastar for period of September 1, 2001 through August 31, 2002 carried \$1,000,000 reinsurance coverage in excess of an annual deductible of \$200,000 per person. For all other enrollees, the Plan carries \$1,000,000 reinsurance coverage in excess of an annual deductible of \$500,000 per person for calendar 2001 and 2002.

Beginning January 1, 2000, the Plan's reinsurance contracts were with Munich American Reassurance Company ("Munich") and Reliastar Life Insurance Company ("Reliastar") for all enrollees, except Iowa Medicaid enrollees under the age of one. Effective September 1, 2002, the Plan entered into a reinsurance contract with Allianz Life for Medicare Risk enrollees, which replaced the Reliastar policy. Beginning July 1, 2001, Iowa Medicaid enrollees under the age of one were also covered under a reinsurance contract with Munich.

Gross hospital reinsurance expenses, included within premium revenues, for the years ended December 31, 2002 and 2001 were \$836,445 and \$3,081,756, respectively.

Reinsurance recoveries, which are recorded as net reinsurance claims incurred, for the years ended December 31, 2002 and 2001 were \$211,076 and \$1,790,904, respectively. There are no reinsurance receivables and no reinsurance payables as of December 31, 2002 and \$40,218 of reinsurance receivables and no reinsurance payables as of December 31, 2001.

9. UNPAID CLAIMS

Unpaid claims liability is developed using actuarial methods. History of actual claim payments is plotted on a matrix with incurred periods along the X-axis and payment months along the Y-axis. Estimated monthly claim behavior is developed from this data. Enrollment for each month is monitored to determine potential impact on claims incurred. Additional relevant information is evaluated to support unpaid claim liability calculations such as the number of claim opportunity days each month, the number of claim processing days each month, claim processing production statistics, claim volume received statistics, significant claims known, reinsurance, coordinated benefits, subrogation and other recoveries, implementation of new health care cost management programs, and any other information that may arise.

Using the above data, the current period estimate is developed. The expense per member per month is tested against historical trends and additional relevant information. Prior period unpaid claims estimates are evaluated using the lagged claim data. The liability has not been calculated using any special consideration for toxic waste cleanup, asbestos-related illnesses or other environmental remediation exposures. An external actuary also certifies the Plan's reserves at December 31 of each year.

Unpaid claims liability balances as of December 31, 2002 and 2001 were \$82,425,277 and \$90,243,713, respectively. Activity in the liability for unpaid claims is summarized as follows.

	2002	2001
Claims unpaid	\$ 90,243,713	\$ 60,467,986
Accrued medical incentive pool	5,637,109	10,267,112
Less reinsurance recoverables	<u>(40,218)</u>	<u>(253,785)</u>
Total at January 1	<u>95,840,604</u>	<u>70,481,313</u>
Plus incurred claims related to:		
Current year	511,746,307	486,779,444
Prior years	<u>(5,612,392)</u>	<u>5,601,624</u>
Total incurred claims	<u>506,133,915</u>	<u>492,381,068</u>
Less paid claims related to		
Current year	427,560,142	401,327,464
Prior years	<u>88,900,225</u>	<u>65,694,313</u>
Total paid claims	<u>516,460,367</u>	<u>467,021,777</u>
Claims unpaid	82,425,277	90,243,713
Accrued medical incentive pool	3,088,875	5,637,109
Less reinsurance recoverables		<u>(40,218)</u>
Total at December 31	<u>\$ 85,514,152</u>	<u>\$ 95,840,604</u>

Total incurred claims above include out-of-period adjustments relating to changes in estimates for claims unpaid and provider risk sharing arrangements.

The majority of provider risk sharing arrangements, which includes a risk arrangement for the TennCare program, are accounted for in Claims unpaid on the Statements of Admitted Assets, Liabilities, Capital and Surplus. The remaining components are in the Accrued medical incentive pool, Health care receivables, and Aggregate write-ins for other than invested assets. The portion contained in the Health care receivables are non-admitted. The impact of provider risk sharing arrangements is reflected as Incentive pool and withhold adjustments in the Statements of Revenue and Expenses, and is included in current year incurred claims above.

The liability for Claims unpaid at December 31, 2001 exceeded actual claims paid in 2002 related to prior years by approximately \$5,600,000. This favorable result was reduced by provider risk sharing adjustments relating to years 2001 and prior of approximately \$4,400,000. Such risk sharing adjustments are included in current year incurred claims above.

Actual claims paid in 2001 related to the claims incurred in prior years exceeded the Claims unpaid liability at December 31, 2000 by approximately \$5,600,000. The additional expense was partially recovered through provider risk sharing adjustments relating to years 2000 and prior of approximately \$2,100,000.

10. IOWA INDIVIDUAL HEALTH BENEFIT REINSURANCE PROGRAM

Under the Iowa Individual Health Benefit Reinsurance Program (“IHBRA”), MCOs are assessed a charge to subsidize the losses of those insurers that cover individuals in the state of Iowa. The charge is determined in accordance with a formula developed by the IHBRA Board utilizing statistics of all MCOs who conduct business in the State of Iowa, and the statistics of all insurers offering individual coverage. Assessments under the program are made subsequent to the calendar year to which they relate. The Plan has not received an assessment for the year ended December 31, 2002. Due to the inability to estimate the amount of the assessment, the expense is recorded when the assessment is received. The expense recognized in 2002 and 2001 was \$1,083,057 and \$987,418, respectively.

* * * * *

Deloitte & Touche LLP
Two Prudential Plaza
180 North Stetson Avenue
Chicago, Illinois 60601-6779

Tel: (312) 946-3000
Fax: (312) 946-2600
www.us.deloitte.com



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Stockholder of John Deere Health Plan, Inc.:

Our 2002 audit was conducted for the purpose of forming an opinion on the basic 2002 statutory financial statements taken as a whole. The supplemental schedule of investment risk interrogatories, the supplemental summary investment schedule, and the supplemental schedule of selected financial data as of and for the year ended December 31, 2002 are presented for complying with the National Association of Insurance Commissioners' instructions to Annual Audited Financial Reports and are not a required part of the basic 2002 statutory financial statements. This additional information is the responsibility of the Plan's management. Such information has been subjected to the auditing procedures applied in our audit of the basic 2002 statutory financial statements, prepared on the basis of accounting described in Note 1 to the accompanying financial statements, and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2002 statutory financial statements taken as a whole.

Deloitte + Touche LLP

February 21, 2003

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES
YEAR ENDED DECEMBER 31, 2002**

The following interrogatories address specific investment categories that equal or exceed 2.5% of the Company's total admitted assets as of December 31, 2002:

1. The Company's total admitted assets as reported in the statutory statements of admitted assets, liabilities and surplus was \$184,819,373.
2. The ten largest exposures to a single issuer/borrower/investment, by investment category, excluding: (i) U.S. government, U.S. government agency securities and those U.S. Government money market funds listed in the Appendix to the *SVO Purposes and Procedures Manual* as exempt, (ii) property occupied by the Company, and (iii) policy loans are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Bank One Corporation	\$ 2,013,818	1.1 %
General Electric Capital Corp.	1,836,243	1.0
Comerica, Inc.	1,793,811	1.0
Coca-Cola Enterprises	1,658,724	0.9
Wal-Mart Stores, Inc.	1,550,807	0.8
Jackson National Life	1,503,238	0.8
Texaco Capital, Inc.	1,288,473	0.7
Pitney Bowes, Inc.	1,242,981	0.7
Amgen, Inc.	1,020,947	0.6
International Business Machines	1,017,226	0.6

3. The amounts and percentages of the Company's total admitted assets held in bonds and preferred stocks by NAIC rating is as follows:

<i>Bonds</i>			<i>Preferred Stock</i>
NAIC-1	\$120,095,941	65.0%	P/PSF-1
NAIC-2	5,081,551	2.7	P/PSF-2
NAIC-3	985,584	0.5	P/PSF-3
NAIC-4			P/PSF-4
NAIC-5			P/PSF-5
NAIC-6			P/PSF-6

4. The amounts of the Company's total admitted assets held in foreign investments (regardless of whether there is any foreign currency exposure) and unhedged foreign currency exposure (defined as the statement value of investment denominated in foreign currencies which are not hedged by financial instruments qualifying for hedge), include:

<i>Investment Category</i>	<i>Amount</i>
Foreign-currency-denominated investments	\$
Supporting insurance liabilities denominated in the same foreign currency, and exclude Canadian investments and currency exposure	

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES
YEAR ENDED DECEMBER 31, 2002**

5. The aggregate foreign investment exposure categorized by NAIC sovereign rating is as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Countries rated NAIC – 1	\$	%
Countries rated NAIC – 2		
Countries rated NAIC – 3 or below		

6. The two largest foreign investment exposures to a single country, categorized by the country's NAIC sovereign rating are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Countries rated NAIC – 1	\$	%
Country:		
Country:		
Countries rated NAIC – 2		
Country:		
Country:		
Countries rated NAIC – 3 or below		
Country:		
Country:		

7. The aggregate unhedged foreign currency exposure does not exceed 2.5% of the Company's total admitted assets at December 31, 2002.

8. The aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating is as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Countries rated NAIC – 1	\$	%
Countries rated NAIC – 2		
Countries rated NAIC – 3 or below		

9. The two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Countries rated NAIC – 1		
Country:	\$	%
Country:		
Countries rated NAIC – 2		
Country:		
Country:		
Countries rated NAIC – 3 or below		
Country:		
Country:		

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES
YEAR ENDED DECEMBER 31, 2002**

10. The ten largest non-sovereign (i.e. non-governmental) foreign issues are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
NAIC rating	\$	%
NAIC rating		
NAIC rating		
NAIC rating		
NAIC rating		
NAIC rating		
NAIC rating		
NAIC rating		
NAIC rating		
NAIC rating		

11. The amounts of the Company's total admitted assets held in Canadian investments and unhedged Canadian currency exposure, include the following amounts:

<i>Investment Category</i>	<i>Amount</i>
Canadian-currency-denominated investments	\$
Supporting Canadian-denominated insurance liabilities	

12. The aggregate Canadian investment exposure includes:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Canadian investments	\$	%
Unhedged Canadian currency exposure		

13. The aggregate amounts and percentages of the Company's total admitted assets held in investments with contractual sales restrictions (defined as investments having restrictions that prevent investments from being sold within 90 days) are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Aggregate statement value of investments with contractual sale restrictions	\$	%
Largest 3 investments with contractual sales restrictions:		

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES
YEAR ENDED DECEMBER 31, 2002**

14. The amounts and percentages of admitted assets held in the largest ten equity interests (including investments in the shares of mutual funds, preferred stocks, publicly traded equity securities, and other equity securities, and excluding money market and bond mutual funds listed in the Appendix to *SVO Practices and Procedures Manual* as exempt or Class 1) are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
ISHARES Trust Midcap 400	\$ 792,304	0.4 %
FPL Group, Inc.	282,611	0.2
PPG Industries	215,645	0.1
Pitney Bowes, Inc.	215,556	0.1
Merck & Co., Inc.	215,118	0.1
Fannie Mae	212,289	0.1
Allstate Corp.	184,950	0.1
May Dept. Stores	160,860	0.1
Schering-Plough	148,740	0.1
J.P. Morgan Chase & Co.	144,000	0.1

15. The amounts and percentages of admitted assets held in nonaffiliated, privately placed equities (included in other equity securities) and excluding securities eligible for sale under (i) Securities Exchange Commission (SEC) Rule 144a or (ii) SEC Rule 144 without volume restrictions are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Aggregate statement value of investments with contractual sale restrictions	\$	%
Largest three investments with contractual sales restrictions:		

16. The amounts and percentages of the Company's total admitted assets held in general partnership interests (included in other equity securities) are as follows:

<i>Investment Category</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Aggregate statement value of investments with contractual sale restrictions	\$	%
Largest three investments with contractual sales restrictions:		

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES
YEAR ENDED DECEMBER 31, 2002**

17. The amounts and percentages of the Company's total admitted assets held in mortgage loans and reported in Schedule B for the ten largest aggregate mortgage interests, are as follows:

<i>Type (Residential, Commercial, Agricultural)</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Residential		
Commercial		
Commercial		
Residential		
Residential		
Residential		
Residential		
Commercial		
Residential		
Residential		

18. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal:

<i>Loan-to-Value</i>	<i>Residential</i>		<i>Commercial</i>		<i>Agricultural</i>	
Above 95%	\$	%	\$	%	\$	%
91% to 95%						
81% to 90%						
71% to 80%						
Below 70%						

<i>Type</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Construction loans	\$	%
Mortgage loans over 90 days past due		
Mortgage loans in the process of foreclosure		
Mortgage loans foreclosed		
Restructured mortgage loans		

19. The amounts and percentages of the Company's total admitted assets held in each of the five largest investments in one parcel or group of contiguous parcels of real estate and reported in Schedule A exclude property occupied by the Company, are as follows:

<i>Type</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
	\$	%

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES
YEAR ENDED DECEMBER 31, 2002**

20. The amounts and percentages of the Company's total admitted assets subject to the following types of agreements are as follows:

	<i>At Year-End</i>		<i>At End of Each Quarter</i>		
	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>	<i>1st Quarter Amount</i>	<i>2nd Quarter Amount</i>	<i>3rd Quarter Amount</i>
Securities lending (excluding assets held as collateral for such transactions)	\$	%	\$	\$	\$
Repurchase agreements					
Reverse repurchase agreements					
Dollar repurchase agreements					
Dollar reverse repurchase agreements					

21. The amounts and percentages of warrants not attached to other financial instruments, options, caps, and floors are as follows:

	<i>Owned</i>		<i>Written</i>	
	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
Hedging	\$	%	\$	%
Income generation				
Other				

22. The amounts and percentages of potential exposure (*defined as the amount determined in accordance with the NAIC Annual Statement Instructions*) for collars, swaps, and forwards are as follows:

	<i>At Year-End</i>		<i>At End of Each Quarter</i>		
	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>	<i>1st Quarter Amount</i>	<i>2nd Quarter Amount</i>	<i>3rd Quarter Amount</i>
Hedging	\$	%	\$	\$	\$
Income generation					
Replications					
Other					

JOHN DEERE HEALTH PLAN, INC.

SUPPLEMENTAL SCHEDULE OF INVESTMENT RISK INTERROGATORIES
YEAR ENDED DECEMBER 31, 2002

23. The amounts and percentages indicated below of potential exposure (*defined as the amount determined in accordance with the NAIC Annual Statement Instructions*) for futures contracts are as follows:

	<u>At Year-End</u>		<u>At End of Each Quarter</u>		
		<i>Percentage of Total Admitted Assets</i>	<i>1st Quarter Amount</i>	<i>2nd Quarter Amount</i>	<i>3rd Quarter Amount</i>
	<i>Amount</i>				
Hedging	\$	%	\$	\$	\$
Income generation					
Replications					
Other					

24. The amounts and percentages of ten largest investments included in the Write-ins for Invested Assets category on the Summary Investment Schedule are as follows:

	<i>Amount</i>	<i>Percentage of Total Admitted Assets</i>
	\$	%

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2002**

<i>Investment Categories</i>	<i>Gross Investment Holdings*</i>		<i>Admitted Assets as Reported in the Annual Statement</i>	
Bonds:				
U.S. treasury securities	\$21,760,190	13.1%	\$21,760,190	13.1%
U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
Issued by U.S. government agencies				
Issued by U.S. government-sponsored agencies	18,575,544	11.2	18,575,544	11.2
Foreign government (including Canada, excluding mortgage-backed securities)				
Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
State, territory and possession general obligations				
Political subdivisions of states, territories and possessions political subdivisions general obligations				
Revenue and assessment obligations	331,738	0.2	331,738	0.2
Industrial development and similar obligations				
Mortgage-backed securities (includes residential and commercial MBS):				
Pass-through securities:				
Guaranteed by GNMA	102,133	0.1	102,133	0.1
Issued by FNMA and FHLMC				
Privately issued				
CMOs and REMICs:				
Issued by FNMA and FHLMC	35,882,051	21.5	35,882,051	21.6
Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA				
All other privately issued				
Other debt and other fixed income securities (excluding short term):				
Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	49,511,420	29.8	49,511,420	29.9
Unaffiliated foreign securities				
Affiliated securities				
Equity interests:				
Investments in mutual funds				
Preferred stocks:				
Affiliated				
Unaffiliated				
Publicly traded equity securities (excluding preferred stocks):				
Affiliated				
Unaffiliated	2,648,019	1.6	2,648,019	1.6

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2002**

<i>Investment Categories</i>	<i>Gross Investment Holdings*</i>		<i>Admitted Assets as Reported in the Annual Statement</i>	
Other equity securities:				
Affiliated				
Unaffiliated				
Other equity interests including tangible personal property under lease:				
Affiliated				
Unaffiliated				
Mortgage loans:				
Construction and land development				
Agricultural				
Single family residential properties				
Multifamily residential properties				
Commercial loans				
Real estate investments:				
Property occupied by company				
Property held for production of income				
Property held for sale				
Policy loans				
Receivables for securities				
Cash and short-term investments	37,477,083	22.5	36,963,870	22.3
Other invested assets				
Total invested assets	\$166,288,178	100.0	\$165,774,965	100.0

* Gross Investment Holdings as valued in compliance with *NAIC Accounting Practices and Procedures Manual*.

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2002**

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002**

Investment income earned:

U.S. Government bonds	\$ 1,676,278
Other bonds (unaffiliated)	6,773,063
Bonds of affiliates	
Preferred stocks (unaffiliated)	
Preferred stocks of affiliates	
Common stocks (unaffiliated)	121,201
Common stocks of affiliates	
Mortgage loans	
Real estate	
Certificate loans and liens	
Collateral loans	
Cash/short-term investments	259,143
Other invested assets	
Derivative instruments	
Aggregate write-ins for investment income	
Gross investment income	<u>\$ 8,829,685</u>

Real estate owned, book value less encumbrances

Mortgage loans, book value:

Farm mortgages
Residential mortgages
Commercial mortgages
Total mortgage loans

Mortgage loans by standing, book value:

Good standing
Good standing with restructured terms
Interest overdue more than 90days, not in foreclosure
Foreclosure in process

Other long-term assets, statement value

Collateral loans

Bonds and stocks of subsidiaries and affiliates, book value:

Bonds
Preferred stocks
Common stocks

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2002**

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002 (CONTINUED)**

Bonds and short-term investments by class and maturity:

Bonds by maturity, statement value:

Due within one year or less	\$ 26,719,708
Over 1 year through 5 years	67,811,947
Over 5 years through 10 years	29,591,790
Over 10 years through 20 years	2,039,631
Over 20 years	
Total by maturity	<u>\$126,163,076</u>

Bonds by NAIC class, statement value:

Class 1 - Highest Quality	\$120,095,942
Class 2 - High Quality	5,081,550
Class 3 - Medium Quality	985,584
Class 4 - Low Quality	
Class 5 - Lower Quality	
Class 6 - In or Near Default	
Total by class	<u>\$126,163,076</u>

Total bonds publicly traded	<u>\$126,163,076</u>
-----------------------------	----------------------

Total bonds privately placed

Preferred stocks, statement value

Common stocks, market value	<u>\$ 2,648,019</u>
-----------------------------	---------------------

Short-term investments, book value	<u>\$ 37,477,083</u>
------------------------------------	----------------------

Options, caps and floors owned, statement value

Options, caps and floors written and in-force, statement value

Collar, swap and forward agreements open, statement value

Futures contracts open, current value

Cash on deposit

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2002**

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002 (CONTINUED)**

Life insurance in-force:

- Industrial
- Ordinary
- Credit Life
- Group Life

Amount of accidental death insurance in-force under ordinary policies

Life insurance policies with disability provisions in force:

- Industrial
- Ordinary
- Credit Life
- Group Life

Supplementary contracts in-force:

Ordinary, not involving life contingencies:

- Amount on deposit
- Income payable

Ordinary, involving life contingencies, income payable

Group, involving life contingencies, income payable

Annuities:

Ordinary:

- Immediate, amount of income payable
- Deferred, fully paid account balance
- Deferred, not fully paid account balance

Group:

- Amount of income payable
- Fully paid account balance
- Not fully paid account balance

Accident and health insurance, premiums in force:

- Ordinary
- Group
- Credit

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SUMMARY INVESTMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2002**

JOHN DEERE HEALTH PLAN, INC.

**SUPPLEMENTAL SCHEDULE SELECTED FINANCIAL DATA
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002 (CONCLUDED)**

Deposit funds and refund accumulations:

Deposit funds, account balance	\$16,619,354
Refund accumulations, account balance	

Claim payments 2002:

Group accident and health, year-ended December 31, 2002:

2002	532,508,771
2001	468,045,781
2000	342,074,620

Other accident and health:

2002
2001
2000

Other coverages that use developmental methods to calculate claims reserves:

2002
2001
2000



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

Management's Discussion and Analysis

**MANAGEMENT DISCUSSION & ANALYSIS
JOHN DEERE HEALTH PLAN, INC.
December 31, 2002**

John Deere Health Plan, Inc. (the "Plan") is a wholly-owned subsidiary of John Deere Health Care, Inc. ("JDHC"), a wholly-owned subsidiary of Deere & Company. Effective June 30, 1999, the Plan changed its name from Heritage National Healthplan, Inc. to John Deere Health Plan, Inc. The plan was incorporated on August 5, 1985 as a Health Maintenance Organization ("HMO"). Operations commenced in July 1986. The Plan was certified as an HMO by the Department of Insurance of the State of Illinois in 1985, by the Iowa Department of Commerce-Division of Insurance in 1986, by the State of Tennessee Department of Commerce and Insurance, the Commonwealth of Virginia Bureau of Insurance, and by the South Carolina Department of Insurance in 1996. As of January 1, 2000, the Plan discontinued operations in the state of South Carolina. The Plan has contracted with physician associations ("Associations"), hospitals and other health care provider organizations to deliver health care services for all enrollees.

Effective December 30, 1999, John Deere Family Healthplan, Inc. ("JDFH"), a wholly-owned subsidiary of JDHC, was merged into the Plan to form a single corporation. Under the merger, the Plan assumed all of JDFH's assets and liabilities. The merged entity will hereafter be referred to as the Plan.

The Plan was designated as a Competitive Medical Plan by the Centers for Medicare & Medicaid Services (CMS), formerly the Health Care Financing Administration (HCFA), in October 1987. On January 1, 1991, the Plan entered into a Health Care Prepayment Plan (HCPP) contract with CMS. On January 1, 1999, the Plan converted to a Medicare Cost contract with CMS for certain counties in Iowa and Illinois. Under the current Medicare Cost contract with CMS, the Plan has elected to be reimbursed for providing health care to Medicare qualified HMO enrollees on a reasonable cost basis. This method of reimbursement allows the Plan to recover from CMS reasonable health care costs of providing basic Title XVIII Medicare benefits to Medicare enrollees. Supplemental plan benefits are provided to Medicare Cost enrollees in return for a supplemental plan premium collected from employer groups or Medicare Cost enrollees.

On June 23, 1997, the Plan was awarded a Medicare Risk contract for certain counties and independent cities in Tennessee and Virginia. On January 1, 1999, the Plan converted to a Medicare+Choice contract as required by the Balanced Budget Act of 1997. Under the current Medicare+Choice contract, CMS makes a single monthly capitation payment to the Plan for each of its enrollees. The Plan provides for services through an organized delivery system of contracted physicians, hospitals, and ancillary providers. Additional plan benefits are provided to Medicare+Choice enrollees in return for an additional plan premium collected from employer groups or individuals.

The Plan participates as a managed care organization under the TennCare program. TennCare is a project authorized through a conditional waiver by CMS that replaced the State of Tennessee's Medicaid program on January 1, 1994. During 2000, the Plan notified the State of Tennessee that it would no longer participate as a managed care organization under the TennCare program as of December 31, 2000. The State of Tennessee exercised its right to keep the Plan in the program under exigency until June 30, 2001. Effective July 1, 2001, the Plan began participating in the TennCare program under an arrangement that mitigates the risk of financial loss. The contract is effective through December 31, 2003.

Effective July 1, 2002, the State of Tennessee amended its TennCare contract with John Deere Health Plan, Inc. (the "Plan") for an eighteen month stabilization period. From July 1, 2002 through December 31, 2003 under this agreement, the TennCare program operates under an Administration Services Only (ASO) arrangement. The Plan received an administrative service revenue in 2002 under this arrangement, which was recognized as a reduction of general administrative expenses.

The Plan also participates in the Iowa Medicaid program providing services through an organized delivery system of contracted physicians, hospitals, and ancillary providers.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Recently, federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

Management’s Discussion and Analysis

imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues. Management believes that the Plan is in substantial compliance with current laws and regulations.

Significant Accounting Policies

The financial statements of the Plan have been completed in accordance with the National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures manual and Illinois annual statement instructions, which differ in certain respects from accounting principles generally accepted in the United States of America (“GAAP”). Major differences between GAAP and statutory basis practices include the reporting of investments in accordance with the Statement of Financial Accounting Standards No. 115 under GAAP and assets that are non-admitted for statutory purposes.

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Illinois (“Statutory basis”). Effective January 1, 2001, the Insurance Department of the State of Illinois required that insurance companies domiciled in the State of Illinois prepare their financial statements in accordance with the NAIC Accounting Practices and Procedures Manual (the “Manual” or “SSAP”). Accordingly, the admitted assets, liabilities, and surplus of the Plan as of December 31, 2002, and the results of its operations and its cash flows for the year then ended have been determined in accordance with the statutory accounting principles.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts subject to change in the near term include claims unpaid, and accruals for loss contracts.

Claims unpaid reflect management’s best current estimate of the cost of ultimate resolution of those claims incurred but not reported and/or paid as of the balance sheet date. However, additional facts and circumstances may develop which would affect the precision of the estimate of costs. Those facts and circumstances include, among other things, the ultimate extent and cost of the resolving those claims and the amount of insurance recoveries.

Investments

Investments are carried at values prescribed by NAIC. Short-term investments are carried at cost or amortized cost. Bonds, including collateralized mortgage obligations and other structured securities, are carried at amortized cost using the scientific amortization method. Common stocks are carried at the NAIC market value. Loan back securities are carried at amortized cost using a retrospective adjustment method.

Effective August 2001, the Plan began fully investing all available cash on a daily basis in short-term investments. Short-term investment balances at December 31, 2002 and 2001 were \$37.0 million and \$27.9 million, respectively. A single short-term investment security at December 31, 2002 exceeded the authorized investment threshold, resulting in a non-admitted asset of \$0.5 million at December 31, 2002. There was no such item at December 31, 2001.

At December 31, 2002 and 2001, long-term investments are summarized as follows:

	2002	2001
Long-term investments:		
Corporate Debt Securities	\$ 51,727,514	\$ 60,775,977
U.S. Government Agency and Debt Securities	74,435,562	75,799,108
Equity Securities	2,648,019	10,104,524
	<u>\$128,811,095</u>	<u>\$146,679,609</u>

NAIC market values for long-term investments with a fixed term and rate under NAIC guidelines as of December 31, 2002 and 2001 were \$128.8 million and \$138.9 million, respectively.

At December 31, 2002 and 2001, certain long-term investments were held on deposit with trustees as required by Illinois, Tennessee, Iowa, South Carolina, and Virginia insurance regulations.



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

Management's Discussion and Analysis

Aggregate Write-Ins

Certain amounts are required under statutory basis practices to be reported as aggregate write-ins. Included in the following captions are:

*For other than invested assets – Risk sharing receivable from the State of Tennessee for the TennCare program and state income taxes receivable/payable.

*For other liabilities – Payables for cost contracts.

* For other health care related revenues—Contractual recoveries and audit recoveries.

* For other income or expenses—Out of area conversion costs.

Revenues

Premium revenues are earned ratable over the terms of the contracts. Premiums billed and collected in advance are recorded as premiums received in advance.

Medical and Hospital Costs

Health Care costs are accrued as services are rendered and include estimates for incurred but not reported claims.

Loss Contracts

Premium contracts are analyzed and losses recognized when it is probable that expected future health care and maintenance costs will exceed premiums.

Reclassifications

Certain 2001 amounts have been reclassified to conform with 2002 presentation.

FINANCIAL POSITION

Assets:

Total assets decreased \$3.6 million, primarily in the area of Cash and Invested Assets and Aggregate Write-ins for Other than Invested Assets.

Short-term investments increased \$9.1 million to \$37.0 million as of December 31, 2002 compared to \$27.9 million as of December 31, 2001. Long-term investments decreased \$17.9 million to \$128.8 million as of December 31, 2002 compared to \$146.7 million as of December 31, 2001. The net effect of the \$8.8 million decrease in Cash and Invested Assets was mainly due to paying runoff claims resulting from the change in the TennCare contract from an insured product to an ASO contract at July 1, 2002.

Premium Receivables increased \$0.9 million due to growth in the Plan's commercial membership.

Investment Income Due and Accrued remained relatively flat compared to 2001.

The Plan's investments consist of high grade corporate bonds, US Treasury notes and other corporate securities. A substantial volume of investments is rated at AAA. Investments are purchased with staggering maturity dates to allow adequate cash flows for operations.

Write-ins for Other than Invested Assets includes a \$11.2 million receivable from the State of Tennessee for its share of the risk arrangement in which the Plan participates for the TennCare program. This receivable includes \$0.3 million is the State of Tennessee's portion of excess medical expenditures during the Plan's



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

Management's Discussion and Analysis

participation in the TennCare program under a risk-sharing agreement during July 1, 2001 through December 31, 2001. \$5.3 million of the receivable is for the risk sharing arrangement for the time period of January 1, 2002 through June 30, 2002, which has been received subsequent to the filing of the December 31, 2002. The remaining \$5.6 million is related to claims in settlement for the ASO arrangement for the time period of July 1, 2002 through December 31, 2002.

Liabilities:

Total liabilities decreased \$8.8 million over last year. The decrease is mainly due a decrease in Claims Unpaid and Accrued Medical Incentive Pool off set by an increase in Premiums Received in Advance.

Claims Payable decreased \$7.8 mainly due to the change in the TennCare arrangement from an insured product to an ASO arrangement, thus reducing the Claims Payable liability. Claims payable includes estimates of future payments to be made for medical claims incurred prior to the balance sheet date. Estimates of future payments relating to services incurred in current and prior periods are continually reviewed by management and, to the extent necessary; adjustments are reflected in current operations. The Plan continues to monitor changes using recognized actuarial reserving techniques. Management believes that claims payable at December 31, 2002 is adequate to pay policyholder claims when due.

Accrued Medical Incentive Pool decreased \$2.5 million as a result of continued migration of enrollment away from capitated arrangements.

Premiums Received in Advance increased \$5.4 million primarily due to an overpayment of from TennCare for administrative fee for the period of July 1, 2001 through June 30, 2002 in addition to payment received for Medicare Risk before statutory cutoff for January 2003 premium.

Federal income tax payable decreased \$3.3 million due to the tax effect of valuing our investments at the NAIC value for statutory purposes, which then becomes non-admitted due to the affiliate relationship of filing a consolidated tax return.

Net Worth:

As the Five Year Historical Data reflects, the Plan has reported adequate income to finance operations each year. There has been no need to acquire additional paid in surplus from its parent company.

RESULTS OF OPERATIONS

Premium revenue increased over 2001 due to:

- growth in membership in the Medicare Risk program;
- higher Iowa Medicaid premium beginning in July 2001;
- growth in membership in commercial products;
- combined with weighted average price increases on commercial renewals;
- offset by the decrease in TennCare premium beginning in July 2002 changing their arrangement to an ASO relationship.

Total medical and hospital expenses increased primarily from growth in the Medicare Risk program, growth in membership in the Plan in other products, and overall medical cost increases over all product lines.

Administrative expenses remained flat compared to 2001 due to increased membership in the Plan offset by administrative fee revenue received from TennCare from the ASO arrangement.

Net income of \$6.5 million was reported for 2002 as compared with \$7.9 million net income reported in 2001.

CASH FLOW AND LIQUIDITY

Cash and cash equivalent balances and premium collected from employer groups provide adequate cash to pay the claims processed in each month. Cash reserves are invested with maturities staggered to fund months with higher claim payments. Capitations due to contracted IPAs are held by the Plan based on agreements with the IPAs. The liability for the capitations is included in the Claims Unpaid line of the Liabilities, Capital



ANNUAL STATEMENT FOR THE YEAR 2002 OF THE John Deere Health Plan, Inc.

Management's Discussion and Analysis

and Surplus statement. This liability decreases as the Plan funds the claims on behalf of the IPAs and distributes withhold when directed by the IPA according to contractual agreements. Payments to affiliated companies are made regularly.

Net cash used by operations totaled \$7.4 million during 2002 compared to \$39.5 million received from operations during 2001. The difference is largely due to increase in State of Tennessee receivable, and the decrease in claims unpaid.

Net cash from investing activities totaled approximately \$17.1 million for the year ended December 31, 2002 compared to \$30.1 million used for the year ended December 31, 2001. Investments that matured during 2002, were reinvested for future use along with additional cash generated from operating activities and the additional cash from the change in cash management procedures. The TennCare arrangement changing to ASO at July 1, 2002 required the selling of investments to pay runoff claims from the insured arrangement prior to July 1, 2002.

Net cash used by financing activities totaled \$0.6 million for the year ended December 31, 2002 compared to \$13.8 million net cash used by financing activities for the year ended December 31, 2001. Due to the cash management change implemented in 2001, payments received from affiliates totaled \$1.9 million in 2002 compared to payments to affiliate of \$7.0 million during 2001. The change in cash in financing activities was primarily due to change in the net cash transfers from affiliates.

The Plan has two separate \$10 million borrowing agreement with Deere & Company and JDHC, respectively. The Plan had no advances under the borrowing agreements.

Subsequent to filing the annual statement for December 31, 2002, the Plan paid a \$6.4 million ordinary dividend to its parent corporation, John Deere Health Care, Inc. on March 21, 2003. The Plan does not have any additional anticipated material commitments for capital expenditures.
